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## CALENDAR

### MEETING OF FINANCE COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, MAY 6, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

ABSENT: SUPERVISOR GONZALEZ - ITEMS 5-13

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

MAY 12 1992

### CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 23-92-4. [Claims Against the Government] Resolution waiving the Statute of Limitations with respect to payment of two warrants of the City and County of San Francisco, in an amount totalling \$408.86 legal obligations of the City and County of San Francisco. (Controller)  
(Cont'd from 4/29/92)
- b. File 146-92-28. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a grant of \$457,580 from a collaboration of the Centers for Disease Control and the Health Resources and Services Administration for the AIDS Early Intervention Service Network Demonstration Project; waiving indirect costs. (Department of Public Health)  
(Cont'd from 4/29/92)
- c. File 23-92-5. [Claims Against the Government] Resolution waiving the Statute of Limitations with respect to payment of five warrants of the City and County of San Francisco, in an amount totalling \$15,942.02 legal obligations of the City and County of San Francisco. (Controller)
- d. File 25-92-12. [Contracting Out City Services] Resolution concurring with the Controller's certification that janitorial services can be practically performed at the Real Estate Department at 25 Van Ness Avenue by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department)
- e. File 25-92-13. [Contracting Out City Services] Resolution concurring with the Controller's certification that security services can be practically performed at the Real Estate Department at 25 Van Ness Avenue by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department)

- f. File 152-92-1. [Grant – State Funds] Resolution authorizing the Sheriff's Department of the City and County of San Francisco to apply for \$166,622 in funds from the State of California Board of Corrections for the Standards and Training of Local Corrections Programs; stipulating adherence to standards for recruitment and training established by the Board of Corrections, waiving any indirect costs. (Sheriff)
- g. File 101-90-10.8. [Release of Funds] Requesting release of reserved funds, Department of Public Works, 1989 Earthquake Bond Fund, in an amount totalling \$314,900 (Eugene Lew & Associates, Contractor, \$254,900, for Architectural and Engineering services for a seismic upgrade project for Research/IZG facility and \$60,000 for California Academy of Science Project Management), for the California Academy of Science, Earthquake Safety Program Phase I Project. (Department of Public Works)
- h. File 146-91-83.1. [Release of Funds] Requesting release of reserved funds, Department of Public Health/AIDS Office, in the amount of \$30,000, to establish an Interactive Video Kiosk for AIDS/HIV prevention services to Black Gay/Bisexual Community (National Task Force on AIDS Prevention, Contractor). (Department of Public Health)
- i. File 101-91-30.1. [Release of Funds] Requesting release of reserved funds, Department of Public Works, in the amount of \$250,000, for Islais Creek Pump Station and Southeast Water Pollution Control Plant Improvements geotechnical consulting and finalization of the contract budget (AGS Consulting Engineer, Inc., Contractor). (Department of Public Works)
- j. File 79-91-2.2. [Release of Funds] Requesting release of reserved funds, Mayor's Office of Economic Planning and Development, in the amount of \$120,000, for the Homeless Program Pool, from the 1992 Community Development Block Grant Program. (Mayor's Office of Economic Planning & Development)
- k. File 155-92-1. [Reward Authorization] Ordinance authorizing payment of reward to does one through five. (City Attorney)

**ACTION:** Items b, c, f, g, i and j removed from Consent Calendar. Remainder of Consent Calendar recommended.

Item 1b, File 146-92-28. Amended on lines 4 and 16, by replacing "\$457,058" with "\$452,559". Recommended as amended. New title: "Authorizing the Department of Public Health, AIDS Office, to accept and expend a grant of \$452,559 from a collaboration of the Centers for Disease Control and the Health Resources and Services Administration for the AIDS Early Intervention Service Network Demonstration Project; waiving indirect costs."

Item 1c, File 23-92-5. Tabled.

Item 1f, File 152-92-1. Amended on line 3, following "apply", by adding "retroactively". Further amended on line 13, by replacing "directed", with "authorized, retroactively". Recommended as amended. New title: "Authorizing the Sheriff's Department of the City and County of San Francisco to apply, retroactively, for \$166,622 in funds from the State of California Board of Corrections for the Standards and Training of Local Corrections Programs; stipulating adherence to standards for recruitment and training established by the Board of Corrections, waiving any indirect costs."

Item 1g, File 101-90-10.8. Release of \$313,900 recommended. Filed.

Item 1i, File 101-91-30.1. Release of \$250,000 recommended. Filed.

Item 1j, File 79-91-2.2. Release of \$120,000 recommended. Filed.

### REGULAR CALENDAR

2. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)  
(Cont'd from 4/29/92)

ACTION: Hearing held. Continued to May 20, 1992, meeting.

3. File 97-92-23. [Official Bonds] Ordinance amending Administrative Code by amending Sections 16.138 and 16.139 thereof, relating to terms and premiums for bonds of City officers. (Clerk of the Board)

ACTION: Recommended.

4. File 127-92-2. [Stadium Operator Admission Tax] Ordinance amending Part III, San Francisco Municipal Code by amending Section 807 thereof, providing an exemption from the payment of the stadium operator admission tax by extending for one year through December 31, 1992 the exemption from the payment of admission taxes on tickets sold at \$12.99 or less. (Supervisor Ward)  
(Cont'd from 4/29/92)

ACTION: Amended on page 1, line 6, after "less", by adding "effective retroactive to January 1, 1992." Further amended on page 2, line 14, by adding "Section 2. This ordinance shall be effective retroactive to January 1, 1992". Recommended as amended. New title: "Amending Part III, San Francisco Municipal Code by amending Section 807 thereof, providing an exemption from the payment of the stadium operator admission tax by extending for one year through December 31, 1992 the exemption from the payment of admission taxes on tickets sold at \$12.99 or less; effective retroactive to January 1, 1992."

5. File 254-92-1. [Juvenile Detention Institutions Maximum Daily Charges] Resolution establishing maximum daily charges for support of minors placed in City and County Juvenile Detention Institutions and authorizing the Chief Probation Officer of the Juvenile Probation Department to charge less than the maximum rates when juvenile court determines that a lesser charge is appropriate based on parents' or guardians' ability to pay. (Juvenile Probation Department)  
(Cont'd from 4/29/92)

ACTION: Recommended.



6. File 101-91-55.1. [Release of Funds] Requesting release of reserved funds, Controller, in the amount of \$97,258, for benefit payoff – miscellaneous (to back fill critical and mandated positions vacated because of early retirement). (Controller)  
(Cont'd from 4/29/92)

ACTION: Release of \$96,945 recommended. Filed. (Controller to return the \$315 remaining balance of the original \$3,000,000 supplemental appropriation to the General Fund General Reserve.)

7. File 28-92-5. [Emergency Repair] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, safety and welfare of citizens and employees of the City and County of San Francisco by performing the necessary work to abate fire, health and life safety hazards at the Youth Guidance Center – \$1,685,029. (Juvenile Probation Department)

ACTION: Recommended.

8. File 28-92-6. [Emergency Repair] Resolution authorizing the San Francisco Fire Department to take necessary measures to protect the health and welfare of firefighters of Station 28 by performing the necessary work to restore the integrity of Fire Station 28 at 1418 Stockton Street against water leakage into its walls and foundation – cost not to exceed \$60,000. (Fire Department)

ACTION: Amended on line 23, by replacing "\$60,000" with "\$96,800".  
Recommended as amended.

9. File 114-92-2. [BBI Fee Schedule] Ordinance amending Building Code by amending Sections 330.1, 330.2, 330.3, 331, 332, 332.1, 332.2, 332.3, 332.4, 332.5, 333.1, 333.2 and 333.3, to increase Bureau of Building Inspection fees. (Department of Public Works)  
(Cont'd from 4/29/92)

ACTION: Recommended.

10. File 161-92-1. [Redevelopment Agency Bonds] Resolution approving the issuance by the Redevelopment Agency of the City and County of San Francisco of Multifamily Housing Refunding Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$75,000,000 for the purposes of its Residential Construction Financing Program for various multifamily housing developments. (Redevelopment Agency)

ACTION: Recommended.

11. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)  
(Cont'd from 4/29/92)

ACTION: Hearing held. Continued to May 20, 1992, meeting.

12. File 128-92-1. [Hazardous Materials] Ordinance amending Health Code by repealing Article 21 and adding new Article 21 to conform hazardous materials regulations to Federal and State laws regulating the handling of hazardous materials, including underground storage tanks, by business establishments, impose additional stricter local requirements in accordance with California Health and Safety Code Sections 25299.2 and 25500, and incorporate by reference Article 11.9 of Chapter 6.5, Chapter 6.7, Chapter 6.75, and Chapter 6.95 of Division 20 of California Health and Safety Code; Section 1910.1200 of Title 29, Appendix A of Part 355 of Title 40, Section 370.2 of Title 40 and Section 72.3 of Title 42 of the Code of Federal Regulations; and Section 12000 of Title 22 of the Code of California Regulations. (Supervisor Alioto)

(Transferred from City Services Committee 4/28/92 - Fiscal Impact)

ACTION: Hearing held. Continued to May 20, 1992, meeting.

SPECIAL ORDER - 3:30 P.M.

13. File 212-92-1. Hearing to consider financial expenditure for the removal and relocation of the Pioneer Monument for the new main library. (Supervisor Hsieh)  
(Cont'd from 4/22/92)

ACTION: Hearing held. Filed.



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CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

May 4, 1992

TO: Finance Committee  
FROM: Budget Analyst *Recommendations.*  
SUBJECT: May 6, 1992 Finance Committee Meeting

DEPOSITORY ITEM  
DOCUMENTS DEPT.

MAY 7 1992

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### Item 1a - File 23-92-4

**Note:** This item was continued by the Finance Committee at its meeting of April 29, 1992

**Department:** Controller's Office

**Item:** Resolution waiving the statute of limitations with respect to payment of two warrants of the City and County of San Francisco in the sum of \$408.86, a legal obligation of the City and County of San Francisco.

**Description:** According to Section 10.181 of the San Francisco Administrative Code, a warrant issued by the City and County of San Francisco becomes void one year from the date issued. The payee of the warrant may present such warrants to the Controller for payment up to three years from the date that it was considered invalid, or four years from the original issue date. After that point, the Controller may no longer pay such warrants because the statute of limitations has expired, unless approval is obtained from the Board of Supervisors.

The proposed resolution would waive the statute of limitations and would authorize the Controller's Office to replace the following warrants:

<u>Name</u>	<u>Issued</u>	<u>Warrant No.</u>	<u>Amount</u>
Mr. James Brennan	04/24/79	810173	\$297.66
Ms. Kitty White	06/01/87	5502290493	111.20
Total			\$408.86

**Comments:**

1. Warrant #810173 was issued almost 13 years ago to Mr. James Brennan by the San Francisco Public Library. According to Mr. John Madden of the Controller's Office and Mr. Kenneth E. Dowlin, City Librarian, Mr. Brennan misplaced the warrant until recently and never cashed it, and has requested, at his own initiative, that the warrant be reissued.

2. Warrant #5502290493 was issued almost 5 years ago to Ms. Kitty White. According to Mr. Henry Leigh of the Controller's Office, Ms. White took the initiative of writing a letter to him, indicating she had misplaced the warrant until recently and never cashed it, and requested that the warrant be reissued.

3. Ms. Estrella Lomboy of the Controller's Office has verified that the Controller's Office has cancelled the warrants in both of the above-named instances. Mr. Madden has verified that the Controller's records indicate that neither of these warrants have been cashed.

4. According to Mr. Madden, the City and County of San Francisco has sufficient funds to pay the \$297.66 to Mr. James Brennan, and the \$111.20 to Ms. Kitty White. Mr. Madden reports that, when a warrant is automatically cancelled after three years have passed, the monies revert back into the particular accounts from which they were drawn (e.g., the San Francisco Public Library).

5. According to Mr. Ted Lakey of the City Attorney's Office, a legal obligation is not necessarily a mandated obligation.

**Recommendation:** Approve the proposed resolution.



Item 1b - File 146-92-28

Note: This item was continued from the April 29, 1992 Finance Committee meeting.

**Department:** Department of Public Health (DPH),  
AIDS Office

**Item:** Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a grant of \$457,580 from a collaboration of the Centers for Disease Control and the Health Resources and Services Administration for the AIDS Early Intervention Service Network Demonstration Project; waiving indirect costs.

**Grant Amount:** \$457,580

**Source of Funds:** Centers for Disease Control  
Federal Health Resources and Services Administration

**Grant Period:** June 1, 1992 to May 30, 1993

**Description:** The Board of Supervisors previously authorized the DPH to apply for the proposed grant (Resolution 177-92) in the amount of \$500,000. The proposed grant would support the development of a pilot project in which early intervention linkages between sites providing primary medical care and HIV counseling and testing services would be established or enhanced.

<b>Grant Budget:</b>	<u>Personnel</u>	<u>FTE</u>	<u>Total</u>
	Physician Specialist	0.75	\$51,689
	Epidemiologist II	0.25	10,587
	Health Program Coordinator	1.00	41,521
	Disease Control Investigator	1.00	34,107
	Health Educator	0.50	19,954
	Management Assistant	1.00	18,390
	MIS Specialist	0.17	9,254
	MIS Technician II	0.25	5,601
	Senior Clerk Typist	0.63	20,323
	Nurse Practitioner	<u>1.00</u>	<u>48,478</u>
	Subtotal Personnel	6.55	\$259,904
	Mandatory Fringe Benefits at 26 percent		<u>67,575</u>
	Total Personnel	6.55	\$327,479

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<u>Travel</u>	
Local Travel	\$500
Out-of-jurisdiction Travel (mandated trips to the funding agency)	<u>4,250</u>
Total Travel	\$4,750
<u>Equipment</u>	
Twelve PCs and Modems (\$3,300 each)	\$39,602
Two Laser printers (\$1,900 each)	3,800
Seven FAX machines (\$600 each)	4,200
Systems Upgrade associated with centralized client intake	<u>5,000</u>
Total Equipment	52,602
<u>Materials and Supplies</u>	
Office Supplies	1,790
Furniture (includes desks, chairs, filing cabinets, partitions)	5,328
Educational materials	<u>1,000</u>
Total Supplies	8,118
<u>Clinical Expenses</u>	
Lab tests to determine immune system strength	27,500
Clinical Trials Searches	<u>3,500</u>
Total Clinical Expenses	31,000
<u>Operating Expenses</u>	
Rent	6,730
Telephone	15,380
Promotions/Advertising	5,000
Client participation incentives (150 at \$10)	1,500
Total Other	<u>28,610</u>
TOTAL	\$452,559

**Indirect Costs:** Indirect costs are not allowed by the funder. Therefore, the proposed resolution would waive indirect costs.

**Required Match:** None

**Comments:** 1. According to the proposed resolution, DPH is requesting authorization to accept and expend \$457,580. However, the actual grant amount would be \$452,559, a difference of \$5,021. Therefore, the proposed resolution should be amended to authorize the DPH to accept and expend \$452,559, not \$457,580.

2. The DPH has received EIPSC approval for the proposed electronic equipment purchases. According to the DPH,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

seven FAX machines would be required for the proposed project because activities would take place at seven DPH satellite locations, including City clinics.

3. Client participation incentives are small payments to individuals participating in the proposed pilot study to encourage those individuals to continue their participation.

4. According to the DPH, if grant funding is reduced or terminated, personnel would be reduced or terminated accordingly.

5. Attached is the "Summary of Grant Request" as prepared by DPH.

6. The DPH has prepared a Disability Access Checklist which is in the file.

**Recommendation:** Amend the proposed resolution to authorize DPH to accept and expend a grant of \$452,559, instead of \$457,580, and approve as amended.

Item No.                      Health Commission - Summary of Grant Request

Rev. 4/10/90

Centers for Disease Control and  
 Grantor Health Resources and Services Admin Division AIDS Div/CO  
 Contact Person Carl Campbell Section AIDS Office  
 Address 255 East Paces Ferry Road Contact Person Tim Piland  
Atlanta, GA 30305 Telephone 55-9132  
 Amount Requested \$ 452,559 Application Deadline 3/2/92  
 Term: From 6/1/92 To 5/30/93 Notification Expected 4/15/92  
 Health Commission 3/17/92 Board of Supervisors: Finance Committee                       
 Full Board                     

I. Item Description: Request to ~~apply for~~ (accept and expend) a (new) (continuation) (renewal) (augmentation) of grant in the amount of \$                      from the period of 6/1/92 to 5/30/92 to provide Early Intervention Service Network Demo Project services.  
 (Circle appropriate words)

## II. Summary: (Concise history; need addressed; number &amp; groups served; services and providers)

To develop a pilot project in which early intervention linkages between sites currently providing primary medical care and HIV counseling and testing services will be established or enhanced. Please see Attachment for a more detailed description of project.

## III. Outcomes/Objectives:

Please see Attachment: we estimate that between 26,000 and 28,000 individuals in San Francisco will benefit from these services.

## IV. Effects of Reduction or Termination of These Funds:

Failure to accept and expend these funds would severely impair our ability to address the AIDS epidemic in San Francisco.

## V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Reg. Match	Approved by
Grant Amount			<u>452,559</u>			
Personnel			<u>327,479</u>			
Equipment			<u>47,602</u>			
*Contract Svc.			<u>0</u>			
Mat. & Supp.			<u>8,118</u>			
Facilities/Space			<u>6,730</u>			
Other			<u>62,630</u>			
Indirect Costs			<u>0*</u>			

## VI. Data Processing

(none included above)

\*These are Comprehensive AIDS Resources Emergency (CARE) Disaster Relief funds; no indirects allowed

## VII. Personnel

F/T CSC			<u>5.80</u>		
P/T CSC					
Contractual			<u>TBD</u>		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
None.

Will grant funded employees be retained after this grant terminates? If so, How?  
No.

\*VIII. Contractual Services: Open Bid                      Sole Source                      (if sole source, attach Request for Exception Form)

Item 1c - File 23-92-5

**Department:** Controller's Office

**Item:** Resolution waiving the statute of limitations with respect to the payment of five warrants of the City and County of San Francisco in the sum of \$15,942.02.

**Description:** According to Section 10.181 of the San Francisco Administrative Code, a warrant issued by the City and County of San Francisco becomes void one year from the date issued. The payee of the warrant may present such warrants to the Controller for payment up to three years from the date that it was considered invalid, or four years from the original issue date. After that point, the Controller may no longer issue any warrants because the statute of limitations has expired unless approval is obtained from the Board of Supervisors.

The proposed resolution would waive this statute of limitations and would authorize the Controller's Office to replace the following five warrants:

<u>Name</u>	<u>Issued</u>	<u>Warrant No.</u>	<u>Amount</u>
De Zordo & Assocs.	6-22-88	530-0664408	\$ 2,223.30
Information Systems Consultants	10-14-87	530-0606764	1,200.00
Mt. Zion Hospital	9-21-87	550-2302774	10,499.00
Selby, Manton L.	4-14-88	530-0648207	1,150.00
Wang Laboratories, Inc.	1-09-89	530-0705354	<u>869.72</u>
Total			\$15,942.02

**Comments:** 1. As reflected above, the requested warrants are between three and four and a half years old. Ms. Evelyn Alava of the Controller's Office of Special Projects states that all of the above payees were approached by Nelson-Brown Equities, Inc., a private legal firm, to assist the payees in making a claim against the unpaid warrants. Mr. Henry Leigh of the Controller's Office advises that Nelson-Brown Equities, Inc. would collect a fee from the above parties equal to 50 percent, or approximately \$7,971.01, of the amount of the warrants.

2. According to Ms. Alava, all of the payees report that they did not receive their warrants, and have requested that those warrants be reissued.

3. Ms. Alava advises that the Controller's Office automatically cancelled these five warrants, which had not been cashed one year after the original issue date. The



Controller's Office has verified that it has made no payment on these five warrants, Ms. Alava reports.

4. In December, 1991, the Finance Committee denied a proposed resolution (File 23-91-4) waiving the statute of limitations with respect to payment of certain warrants because the payees had been approached by Nelson-Brown Equities, Inc., who would have collected 50 percent of the warrant amount in fees. In April, 1992, the Finance Committee denied another payment requested by another private legal firm, WJ Jas Assets (File 23-92-3). Ms. Celeste Bell of the City Attorney's Office reports that Nelson-Brown Equities has filed a lawsuit against the City and that the Superior Court is in the process of deciding whether the City is mandated to pay any expired warrant upon request. As of the writing of this report, the litigation is at the discovery stage, with the Controller's Office providing a substantial amount of documentation, and a trial date has been set for October 5, 1992.

5. According to Mr. John Madden of the Controller's Office, the City and County of San Francisco has sufficient funds to pay \$15,942.02 to the above payees. Mr. Madden reports that, when a warrant is automatically cancelled, the funds revert back to the specific account from which it was originally drawn.

6. Mr. Ted Lakey of the City Attorney's Office reports that the City is under no legal obligation to pay the expired warrants.

7. Based on the Finance Committee's previous denial of legislation noted in Comment 4 above, which is similar to the proposed legislation, the Budget Analyst believes that the proposed resolution should not be approved.

**Recommendation:** Do not approve the proposed resolution based on the Committee's previous denial of similar legislation.

Item 1d - File 25-92-12

**Department:** Real Estate Department

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Janitorial services at 25 Van Ness Avenue

**Description:** The Controller has determined that contracting for these janitorial services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$126,052	\$148,901
Employee Benefits	35,838	40,579
Operating Expenses	15,490	15,490
DPW Overhead	45,394	45,394
Total	\$222,774	\$250,364
<u>Contracted Service Cost</u>	<u>144,000</u>	<u>144,000</u>
<u>Estimated Savings</u>	<u>\$78,774</u>	<u>\$106,364</u>

**Comments:** 1. Mr. Lloyd Gardner of the Real Estate Department advises that the City recently purchased the office building located at 25 Van Ness Avenue in October, 1991. Therefore, 1992-93 would be the first fiscal year that janitorial services are certified as required by Charter Section 8.300-1 at 25 Van Ness Avenue.

2. Presently, the Real Estate Department is maintaining its janitorial services at 25 Van Ness Avenue with the firm providing these services when the building was purchased. The City's current contract, which expires June 30, 1992, is with Township Building Services. The Contracted Service Cost used for the purpose of this analysis is the current contractor's estimate of janitorial services for fiscal year 1992-93. Out of the gross floor area of 147,876 square feet, the 25 Van Ness Avenue office building contains 136,089 rentable square feet.

Memo to Finance Committee  
April 15, 1992

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

## Charter 8.300-1 (Proposition J) Questionnaire

Department Real Estate  
Contract Services Janitorial  
Time Period FY92-93

1) Who performed services prior to contracting out? City purchased 25 Van Ness on 10-23-91 and at that time retained Township Building Services who was servicing the building for former owner.

2) Number of City employees laid off as a result of contracting out?

- 0 -

3) Explain disposition of employees if they were laid off.

N/A

4) What percent of City employee's time is spent on services to be contracted out?

- 0 -

5) How long have services been contracted out?

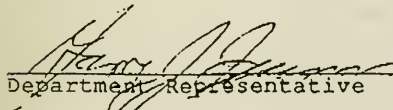
Since 10-23-91

6) What was the first fiscal year for a Proposition J Certification?

FY92-93

7) How will contract services meet the goals of your MBE/WBE Action Plan?

Purchasing will bid out with H.R.C. approval

  
\_\_\_\_\_  
Department Representative

Lloyd Gardner, Real Property Officer

(Type Name, Title)

554-9862

Telephone

cx1quespj





Item 1e - File 25-92-13

**Department:** Real Estate Department

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Security guard services at 25 Van Ness Avenue

**Description:** The Controller has determined that contracting for these security guard services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$161,161	\$190,406
Employee Benefits	43,123	49,192
DPW Overhead	<u>43,107</u>	<u>43,107</u>
Total	\$247,391	\$282,705
<u>Contracted Service Cost</u>	<u>100,000</u>	<u>100,000</u>
<u>Estimated Savings</u>	\$147,391	\$182,705

**Comments:** 1. Mr. Lloyd Gardner of the Real Estate Department advises that the City recently purchased the office building located at 25 Van Ness Avenue in October, 1991. Therefore, 1992-93 would be the first fiscal year in which security guard services are certified as required by Charter Section 8.300-1 at 25 Van Ness Avenue.

2. Presently, the Real Estate Department is maintaining its security guard services at 25 Van Ness Avenue with the firm providing these services when the building was purchased. The City's current contract for security guard services, which expires June 30, 1992, is with Pinkerton's, Inc. The Contracted Service Cost used for the purpose of this analysis is the current contractor's estimate of security guard services for fiscal year 1992-93. Out of the gross floor area of 147,876 square feet, the 25 Van Ness Avenue office building contains 136,089 rentable square feet.

Memo to Finance Committee  
April 15, 1992

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

## Charter 8.300-1 (Proposition J) Questionnaire

Department Real Estate  
Contract Services Security  
Time Period FY92-93

1) Who performed services prior to contracting out? City purchased 25 Van Ness on 10-23-91 and at that time City retained Pinkerton Security who was providing security for the former owner.

2) Number of City employees laid off as a result of contracting out?

- 0 -

3) Explain disposition of employees if they were laid off.

N/A

4) What percent of City employee's time is spent on services to be contracted out?

- 0 -

5) How long have services been contracted out?

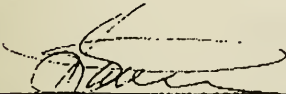
Since 10-23-91

6) What was the first fiscal year for a Proposition J Certification?

FY92-93

7) How will contract services meet the goals of your MBE/WBE Action Plan?

Purchasing will bid out contract with H.R.C. approval

  
\_\_\_\_\_  
Department Representative

Lloyd Gardner, Real Property Officer  
(Type Name, Title)  
554-9862  
Telephone

cxlquespj



Item 1f - File 152-92-1

**Department:** Sheriff

**Item:** Resolution authorizing the Sheriff's Department to apply for State subvention funds and stipulating adherence to standards for recruitment and training established by the Board of Corrections.

**Amount:** \$166,622

**Grant Period:** July 1, 1992 through June 30, 1993

**Source of Funds:** State of California Board of Corrections under Senate Bill (SB) 924.

**Project:** Standards and Training of Local Corrections and Probation Officers Program

**Description:** The proposed subvention would fund State-certified training for Corrections Officers in the Sheriff's Department. The program is operated by the State Board of Corrections and provides funds to improve and standardize the skills of Deputy Sheriff jail staff from entry-level staff to department heads. SB 924 authorized the State Board of Corrections to establish minimum standards for the selection and training of Deputy Sheriff jail staff and to certify the training courses to be taken by personnel participating in this program.

The proposed subvention would fund a total of 370 personnel during the FY 1992-93 Fiscal Year. Total training hours would be 14,664 and would range from 24 hours of training for update training for experienced personnel to 200 hours of training for new personnel. Training costs are paid by this subvention and no matching funds are required.

The major subject areas of training are listed below:

Deputy Sheriff Jail Staff

Psychological theory and diagnostic techniques  
Security and supervision of minors and adults  
Legal considerations  
Laws of evidence  
Emergency procedures (i.e. First Aid, CPR)  
Supervision of special inmates

Supervisory, Administrative Personnel

Managing personnel problems  
Supervisory skills  
Legal aspects of personnel supervision  
Budgeting, accounting and fiscal management techniques  
Stress management  
Communication skills  
Legal updates (cases, statutory, administrative law)  
Applied management models  
Information systems  
Cost effectiveness analysis  
Community relations

**No. of Persons  
Served:**

Training for 370 personnel

**Project  
Budget:**

<u>Staff</u>	<u>Hours</u>	<u>Tuition</u>	<u>Travel</u>	<u>Per Diem</u>	<u>Salary Replacement</u>	<u>Total</u>
370	14,644	\$18,690	\$3,786	\$12,681	\$131,465	\$166,622

**Indirect Costs:**

None. The State Department of Corrections requires that all funds be used for direct training services.

**Required Match:**

None

**Comments:**

1. According to Lt. Jan Dempsey of the Sheriff's Department, the Sheriff's Department applied for the proposed grant on April 15, 1992. Therefore, the proposed resolution should be amended to authorize the Sheriff's Department to apply for the proposed grant retroactively.

2. Lt. Dempsey reports that the costs of compliance with the proposed State mandated training would be fully reimbursed by the State Department of Corrections and no additional costs, other than the City's indirect costs, would be incurred by the City. As reflected in the above budget, the State would reimburse the City for travel, per diem, tuition, and salary replacement for the cost of replacing staff while in training.

3. The proposed grant funds of \$166,622 is approximately \$10,148 or 5.7 percent less than the final FY 1991-92 grant award amount of \$176,770.

4. Attached is the "Summary of Grant Request" as completed by the Sheriff's Department.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
May 6, 1992

**Recommendation:** Amend the proposed resolution to authorize the Sheriff's Department to apply for the proposed grant retroactively.  
Approve the proposed resolution as amended.

Item No. \_\_\_\_\_

- Summary of Grant P wustl

Rev. 4/10/90

Grantor California Board of Corrections  
 Contact Person Nathaniel Reed  
 Address 500 Berout Drive  
Sacramento, CA 95814

Division S.F. Sheriff's Department  
 Section Training  
 Contact Person Sr. Deputy O'Callaghan  
 Telephone (415) 553-9600

Amount Requested \$ \$166,622.00  
 Term: From 07/01/92 To 07/30/93

Application Deadline 04/15/92  
 Notification Expected: \_\_\_\_\_

Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of \$166,622 from the period of 07/01/92 to 06/30/93 to provide Training services.

II. Summary: (Include history, need statement, number - groups served, services and providers)

Funding provided through the California Board of Corrections to Corrections agencies to provide state-certified training. This will be the thirteenth year of participation in the statewide training subvention.

III. Outcomes/Objectives:

To ensure compliance with Minimum Jail Standards and the Penal Code. To provide standardized entry level training and yearly updates for journey level, management level and administrative level staff.

IV. Effects of Reduction or Termination of These Funds:

Inability to comply with state mandated training.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	212,682	189,000*	166,622		0	
Personnel	N/A	N/A	N/A			
Equipment	N/A	N/A	N/A			
Contract Svc.	N/A	N/A	N/A			
Mat. & Supp.	N/A	N/A	N/A			
Facilities/Space	N/A	N/A	N/A			
Other	N/A	N/A	N/A			
Indirect Costs	N/A	N/A	N/A			

VI. Data Processing

(Include indirect charges)

N/A

N/A

N/A

VII. Personnel

F/T CSC

N/A

N/A

N/A

P/T CSC

N/A

N/A

N/A

Contractual

N/A

N/A

N/A

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If Sole source, Attach Request for Proposals Form)

\* Subsequently reduced to \$176,770.

Item 1g - File 101-90-10.8

**Department:** Department of Public Works (DPW)  
Bureau of Architecture (BOA)

**Item:** Request for release of reserved funds for architectural and engineering services for a seismic upgrade project for the California Academy of Sciences.

**Amount:** \$314,900 (See Comment #1)

**Source of Funds:** 1989 Earthquake Safety Bond Funds, Phase 1

**Description:** The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-90-10) which appropriated \$18,927,166 and reserved a total of \$4,388,266 for architectural and engineering services from the 1989 Earthquake Safety Bond Funds. The California Academy of Sciences (CAS) share of these reserved funds is \$927,113. Therefore, if the Board of Supervisors releases the requested release of reserved funds in the amount of \$314,900, a balance of \$612,213 would remain on reserve for the CAS.

The requested release of reserved funds would be used for architectural and engineering services for a seismic upgrading project at a research facility at the CAS. Specifically, the reserved funds would be used as follows:

Architectural and Engineering Services

Eugene Lew & Associates \$254,900

Project Management Services

CAS Project Manager for approximately  
18 months, including fringe benefits 54,000

Materials and Supplies

Includes Printing, Supplies, Messengers,  
and Postage 5,000

Total \$313,900

**Comments:** 1. As noted above, \$313,900 in reserved funds would be required rather than \$314,900 which was the originally requested amount. The DPW reports that for the seismic upgrading project at CAS, in addition to the City's Earthquake Safety Bond Funds, a total of \$155,000 in privately budgeted funds from the CAS would also be used for the seismic upgrading project. The DPW indicates that the \$1,000 in additional funds (difference from \$314,900 requested less \$313,900 projected cost) would come from CAS budgeted

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funds rather than the Earthquake Safety Program bond funds. Therefore, the request for release of reserved funds should be reduced by \$1,000, from \$314,900 to \$313,900.

2. According to Mr. Tony Irons of the DPW's Bureau of Architecture, a Request for Qualifications (RFQ) was issued for the architectural and engineering services contract, and Eugene Lew & Associates was awarded the contract on March 29, 1992. Mr. Irons also reports that the contract was awarded on a lump sum basis for services to be provided for approximately an 18-month period beginning on July 1, 1992 through December, 31, 1993. Eugene Lew & Associates is a local City-certified MBE firm.

**Recommendation:** Reduce the requested release of reserved funds by \$1,000, from \$314,900 to \$313,900.

Item 1h - File 146-91-83.1

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Request for release of reserved funds to establish an Interactive Video Kiosk for AIDS/HIV prevention services to the Black Gay/Bisexual community.

**Amount:** \$30,000

**Source of Funds:** Federal Department of Health and Human Services  
Centers for Disease Control (CDC)

**Description:** The Board of Supervisors previously authorized the Department of Public Health (DPH) to accept and expend a continuation grant of \$6,099,135 from the Federal Department of Health and Human Services, Centers for Disease Control, and reserved a total of \$449,069 pending the selection of contractors, information regarding hours and rates, and the MBE/WBE status of the contractors. If the Board of Supervisors approves the request for release of reserved funds in the amount of \$30,000, a total of \$419,069 would remain on reserve.

The reserved funds in the amount of \$30,000 would be used for an interactive video project for Black Gay/Bisexual men. Overall, the project is designed to increase the awareness and attitudes of African American men at risk for HIV infection. Key activities will include a needs assessment, revision of content based on target population involvement, customized construction of the interactive video kiosk and placement of the kiosk in one African American gay bar (the Eagle Creek), and bar promotion and user surveys.

The DPH reports that all of the \$30,000 in reserved funds would go to one contractor, the National Task Force on AIDS Prevention (NTFAP). Specifically, the NTFAP would use the reserved funds for the following:

<u>Personnel</u>	
Education Coordinator (.10 FTE)	\$ 3,310
Coordinator,	
Research and Evaluation (.05 FTE)	2,000
Benefits	<u>1,220</u>
Total Personnel	\$ 6,530
 <u>Insurance</u>	 1,000

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Equipment

Hardware, including personal computer, laserdisk unit and video monitor	\$ 10,000
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Software for one computer	2,000
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Design and labor costs	6,000
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Materials	<u>2,000</u>
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Total Equipment	\$20,000
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<u>Indirect Costs/Overhead</u>	<u>2,470</u>
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Total	\$30,000
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**Comments:**

1. According to Mr. Tim Piland of the DPH's AIDS Office, a competitive Request For Proposals (RFP) was issued for a prevention and education contract for the African American gay and bisexual community, and NTFAP was selected as the contractor. NTFAP is a non-profit organization.

2. Mr. Piland reports that the contractual services would be performed from approximately July 1, 1992 through December 31, 1992. It is anticipated that approximately 1,000 unduplicated persons will utilize the Interactive Video Kiosk.

**Recommendation:** Release the reserved funds in the amount of \$30,000.



Item 1i - File 101-91-30.1

**Department:** Department of Public Works (DPW)  
Clean Water Program

**Item:** Request for release of reserved funds for geotechnical engineering services and finalization of the contract budget for the Islais Creek Pump Station and Southeast Water Pollution Control plant improvements design.

**Amount:** \$250,000

**Source of Funds:** 1991 Sewer Revenue Bonds

**Description:** The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-91-30) for \$4,750,000 in funds for capital improvements for the Islais Creek Pump Station and Southeast Plant Design. Of that amount, \$250,000 was reserved for geotechnical engineering services pending the selection of a contractor, finalized cost details and the MBE/WBE status of the contractor.

The DPW proposes to build: 1) a pump station to move the sewage from storage to treatment (Islais Pump Station); and 2) improved treatment facilities at the City's Southeast plant. The DPW reports that the benefits from adopting the proposed project would enable the DPW to comply with National Pollutant Discharge Elimination (NPDE) requirements.

**Comments:**

1. The DPW reports that a Request for Proposal (RFP) was issued for the geotechnical services contract and the DPW selected AGS Consulting Engineers, Inc., which is a City-certified local MBE firm. The average hourly rates, including overhead, for AGS Consulting Engineers, Inc. range from approximately \$84 an hour for a Project Director to approximately \$39 for a Geotechnical Engineer.
2. Mr. Ramsis Attia of the DPW reports that the reserved funds would be used as follows:

<u>Geotechnical Engineering Services</u>	
AGS Consulting Engineers, Inc.	\$166,700
<u>Additional Engineering Services</u>	
AGS Consulting Engineers, Inc.	<u>50,000</u>
Subtotal	\$216,700

Contingency

Approximately 15 percent of the geotechnical  
and engineering services

\$ 33,300

Total

\$250,000

3. According to Mr. Attia, AGS Consulting Engineers, Inc. has already begun work providing geotechnical and engineering services on approximately April 1, 1992. However, the reserved funds have not previously been requested to be released from reserve. Mr. Attia explains that the work was started because the City is currently under a Cease and Desist Order from the California Regional Water Quality Control Board since the City is not in compliance with Federal and State regulations. Mr. Attia reports that under the Cease and Desist order, the City must complete construction of the projects by January, 1994, and therefore, in order to complete the project on time, the geotechnical services must be completed by mid-May, 1992.

4. However, given that the work was started prior to obtaining approval from the Finance Committee to release the reserved funds, thereby resulting in the release of reserved funds on a retroactive basis, approval of the proposed request is a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the proposed request for release of reserved funds on a retroactive basis is a policy matter for the Board of Supervisors.

Item 1j - File 79-91-2.2

**Department:** Mayor's Office of Economic Planning and Development

**Item:** Release of reserved funds for the Homeless Assistance Program Pool, from the 1992 Community Development Block Grant (CDBG) Program

**Amount:** \$120,000

**Source of Funds:** Community Development Block Grant Funds

**Description:** On December 9, 1991, the Board of Supervisors approved the City's 1992 Community Development Block Grant Program (File 79-91-21) in an amount of \$20,093,535. At the same time, the Board of Supervisors placed \$500,000 for the CDBG Homeless Assistance Program Pool on reserve, pending the Mayor's Office selecting a site for a proposed drop-in center for homeless individuals and providing budget details on this project.

The Mayor's Office is now requesting that \$120,000, of the \$500,000 placed on reserve for the above-noted drop-in center, instead be released to fund the Community Housing Partnership, a non-profit agency, in connection with its administrative oversight of the rehabilitation of the Senator Hotel, located at 519 Ellis Street and the San Christina Hotel located at 1000 Market Street. These two hotels are being rehabilitated in order to provide permanent housing with supportive services for homeless adults. The Senator Hotel will provide 87 housing units and the San Christina will provide 58 housing units. The Mayor's Office reports that the rehabilitation of the Senator is underway and the rehabilitation of the San Christina is anticipated to commence by mid-May of 1992. According to the Mayor's Office, both projects should be completed by the end of 1992. The estimated cost to rehabilitate the two hotels is \$3,439,525. The source of the \$3.4 million is San Francisco Redevelopment Funds (\$82,687), State Housing and Rehabilitation Program funds (\$1,701,229) and foundation and private funds (\$1,655,609).

The Community Housing Partnership budget for the expenditure of the \$120,000 for the period May 1, 1992 to December 31, 1992, is detailed below.

<u>Personnel</u>		
Salaries (4.78 FTE)	\$88,708	
Payroll taxes and benefits	<u>19,098</u>	
Subtotal		\$107,806

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<u>Other Expenses</u>	
Bookkeeping	\$2,600
Audit	2,200
Office Rent and Utilities	3,000
Office Supplies	800
Telephone	1,200
Printing and Copying	1,600
Postage	672
Miscellaneous	<u>122</u>
Subtotal	<u>\$ 12,194</u>
Total	\$120,000

**Comments:**

1. Mr. Joe LaTorre of the Mayor's Office reports that based on the original budgets for the rehabilitation of the two hotels, the above itemized costs of \$120,000 for personnel and other expenses, to be incurred by the Community Housing Partnership, were to be paid for by development fees. Development fees are fees paid to the housing developer to cover general administrative overhead costs. However, according to Mr. LaTorre, unanticipated project delays, along with a decision made last Fall to provide shelter to homeless individuals prior to and during the rehabilitation of the hotels, has resulted in cost overruns that have eliminated the budgeted development fees. Mr. LaTorre advises that, in order for the rehabilitation of the two hotels to be completed, the above requested Community Housing Partnership's costs must be funded.

2. The Community Housing Partnership's administrative oversight duties, in connection with the rehabilitation of the two hotels, include (1) management of the rehabilitation process, (2) negotiation of Section 8 contracts with the Department of Housing and Urban Development (HUD), which will set rents to be charged, (3) property management involving the day-to-day operations of the hotels and (4) coordination of social services for homeless tenants.

3. As noted above, the \$500,000 that was placed in reserve for the CDBG Homeless Assistance Program Pool was originally designated for project(s) associated with the development of a drop-in center for homeless individuals. This center would provide short-term refuge and assist homeless individuals with alcohol and/or drug problems. Mr. LaTorre advises that there is currently a total of \$644,449 (\$144,449 in 1991 carry-over funds plus \$500,000 in reserve funds) budgeted in the Homeless Assistance Program Pool. Approval of the proposed release of reserved funds in the amount of \$120,000, for the administrative oversight of the two hotels, would still

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result in a balance of \$524,449 in the Homeless Assistance Program Pool to be used for the original purpose of a drop-in center. According to Mr. LaTorre, if the \$524,449 is not sufficient to totally fund the drop-in center, any shortfall would be paid for by re-allocating surplus CDBG funds. Mr. LaTorre advises that an Invitation for Bids is in the process of being issued for the renovation of the drop-in center.

4. Since the Mayor's Office is proposing to use \$120,000 of the \$500,000 placed on reserve to pay for administrative oversight costs associated with the rehabilitation of the Senator Hotel and the San Christina Hotel, instead of the development of the drop-in center as originally proposed, the Budget Analyst believes approval of the proposed release of reserved funds is a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the release of the proposed \$120,000 is a policy matter for the Board of Supervisors.





Item 1k - File 155-92-1

**Department:** Police Department

**Item:** Ordinance authorizing payment of a reward to John or Jane Does one through five

**Reward Amount:** One reward not to exceed \$10,000

**Source of Funds:** Judgements and Claims Account (General Fund)

**Description:** The proposed ordinance would authorize the Chief of Police to reward one individual who supplied information that led to the arrest and conviction of the persons responsible for the murder of Mr. Scott Quackenbush. According to the proposed ordinance, the Chief of Police would determine the amount of the award, not to exceed \$10,000, based on the significance of the individual's contribution.

San Francisco has an established system of rewarding individuals for their assistance in arresting and convicting persons responsible for crimes. This case differs slightly from the established routine, according to the proposed ordinance, in that the identity of the individual who gave information must be kept confidential to protect the individual from retaliation. According to the proposed ordinance, the Chief of Police would certify to the Controller the identity of the individual and the amount to be paid to that individual, and the Controller would then issue a reward to be delivered by the Chief of Police.

**Comments:** The source of funds for the proposed reward would be the Judgements and Claims Account in the 1991-92 Controller's Operating Budget. The fiscal year 1991-92 budget allocates \$4.2 million of General Fund revenues to the Judgements and Claims account.

**Recommendation:** Approve the proposed resolution.



Item 2 - File 100-92-3

**Note:** This item was continued by the Finance Committee at its meeting of April 29, 1992.

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This latest projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both.

According to Mr. Ted Lakey of the City Attorney's Office, the California State Constitution requires that the City and County of San Francisco adopt a balanced budget each year. The City's Charter, Section 6.203 states that not later than June first of each year, the Mayor shall transmit to the Board of Supervisors the consolidated budget estimates for all departments and the proposed budget for the City and County for the ensuing fiscal year, including a detailed estimate of all revenues for each department and an estimate of the amount required to meet bond interest, redemption and other fixed charges of the City and County and the applicable revenues. At the same time, the Mayor is also required to submit to the Board of Supervisors a draft of the Annual Appropriation Ordinance for the ensuing fiscal year, which is prepared by the Controller.

According to Mr. Burk Delventhal of the City Attorney's Office, the Mayor is required to submit a balanced budget to the Board of Supervisors. Mr. Delventhal acknowledges however that the Mayor's proposed budget may include anticipated revenues that have yet to be adopted by the Board of Supervisors. For example, during the fiscal year 1991-92 budget, the Mayor submitted a proposed budget that included increases in the City's parking tax from 20 to 25 percent and increases in the MUNI Fast Pass, the projected revenues from which would balance the proposed expenditures. The Board of Supervisors had not yet adopted these revenue measures as of June, 1991 when the Mayor submitted his recommended budget to the Board of Supervisors.

In preparation for an anticipated shortfall in the 1992-93 budget, Ms. Teresa Serata of the Mayor's Office reports that initially the Mayor's Office requested that each department submit a reduced 10 percent proposed budget for fiscal year 1992-93. However, given the recent \$139.2 to \$148.2 million shortfall projected, the Mayor's Office has now requested that each department and commission review and resubmit their proposed 1992-93 budgets to the Mayor's Office, to include an additional 8 percent reduction. Because many of the departments under the Chief Administrative Officer (CAO) are so small, the Mayor's Office has requested an additional collective 8 percent reduction from all of the CAO's departments, rather than individually. In addition, specific reductions of \$20 million each from the Municipal Railway (MUNI) and the Health Department were requested in lieu of an additional 8 percent reduction. According to Ms. Serata, the various City departments are currently working on these additional reductions, and such changes should be approved by each of the City commissions.

According to Ms. Serata, in addition to expenditure reductions, departments are being encouraged by the Mayor's Office to include additional potential revenues that could be used to offset the additional 8 percent reduction.

Ms. Adelle Foley of the Mayor's Office reports that the requested reductions to the MUNI and Health Department must be taken in the context of the department's overall General Fund budget request. The Budget Analyst's Office has requested that the Mayor's Office provide a detailed explanation of any expenditure reductions and any revenue enhancements, such as Municipal Railway fare increases, in writing.

The Mayor's Office has outlined the following anticipated budget schedule. The Mayor's budget staff are presently working with each department's budget staff to develop individual department's budgets. This review will include additional revenue ideas and enhancements for these departments. According to Ms. Serata, the Mayor has already met with all of the City's major departments and most of the City's other General Fund supported departments. As has been done in past years, Ms. Serata anticipates submitting the proposed departmental budgets to the Controller's Office by May 15, for reconciliation of individual department's numbers and the overall budget. According to Ms. Serata, a draft final budget would then be submitted to the printer on approximately May 22 and initial copies of the Mayor's 1992-93 budget should be available by approximately May 27. As has been the practice in prior years, the Mayor's Office could provide a confidential copy of the Mayor's budget to the Budget Analyst's Office once copies were available from the printer, although complete budget information, including necessary detail and back-up materials would not be available until June 1, 1992.

The Finance Committee inquired on April 8, 1992 and again on April 15, 1992 regarding the ability of the Board of Supervisors to receive the 1992-93 budget prior to the June 1, 1992 deadline as required by the Charter, or if that is not possible, to receive preliminary budget data or alternative budgetary scenarios prior to the June 1, 1992 deadline. On April 22, 1992, the Mayor presented a letter to the members of the Finance Committee providing advance information about the FY 1992-93 budget, which the Mayor's Office is currently reviewing. This letter summarizes the budget process, meetings, explains the differences among the various department's budget targets, SB 855 services, etc. In addition, various attachments to this letter highlight specific expenditure reductions, revenue increases and departmental targets for the larger City departments.

On April 22, 1992, the Finance Committee also requested additional information regarding which policies and priorities were being assigned to various City programs and services, in terms of developing the FY 1992-93 budget. In reviewing individual City department budgets, Ms. Foley indicated that the Mayor's Office is attempting to balance departmental revenue ideas with service reductions, with a goal of minimizing the impact on services to the public. However, Ms. Foley cautions that the current administration's position that no new general tax increases will be imposed, in conjunction with the required costs of Salary Standardization and numerous Memorandum of Understanding (MOUs), consent decrees and other prior agreements, significantly limit the flexibility of the Mayor's Office in terms of which items and programs can be reduced in the FY 1992-93 budget. According to Ms. Foley, the Mayor's Office requested that each Department prioritize their budgeted programs and services according to a hierarchy of the most important to the least important, when submitting their FY 1992-93 departmental budget requests. Ms. Foley reports that most departments have submitted prioritized budgets with various options, and that the Mayor's budget staff is reviewing these individual departmental priorities as part of the Mayor's budget review.

Ms. Serata reports that the FY 1992-93 budget will identify all Proposition J - Children's Amendment Services according to whether these services are existing (baseline) or new programs and services. In addition, according to Ms. Serata, the Mayor's budget staff is presently compiling the number of layoffs by department that are anticipated to be included in the FY 1992-93 budget.

Mr. Ed Harrington of the Controller's Office reports that the Controller's Office has had some discussions with the Mayor's staff and consulted with local leading economists on the projected major revenues (i.e., property taxes, sales taxes, motor vehicle in lieu and business taxes) for FY 1992-93. As of the writing of this report, the Controller, the Mayor's Director of Finance and the Budget Analyst have no changes to the projections contained in their March 31, 1992 Joint Report.



However, Mr. Harrington advises that according to Section 6.306 of the Charter and based on discussions with the City Attorney, the Controller is not required to certify the revenues contained in the Annual Appropriation Ordinance (annual budget). However, as required by Section 6.301 of the Charter, the Controller is responsible for periodically preparing revenue projections and if the Controller's revenue projections indicate a shortfall of revenues, the Controller has the authority to limit expenditures by City departments to the extent of the revenues being projected. According to Mr. Harrington, as historically has occurred, he anticipates that there will be agreement between the Controller and the Mayor's Office regarding the revenue estimates for FY 1992-93.



Item 3 - File 97-92-23

**Item:** Ordinance amending Article IX, Division 2, of the San Francisco Administrative Code by amending Sections 16.138 and 16.139 thereof, relating to terms and premiums for performance bonds of City officers.

**Description:** In December 1991, the Internal Audits Division of the Controller's Office issued an audit report on the Official Performance Bonds of the City covering the period January 1, 1990, to June 30, 1991. Official performance bonds are bonds that provide the City a surety against the misdeeds of City officials up to the monetary limit of the individual bond. The premiums of all official bonds are paid by the City.

The purpose of the audit was to determine whether the City complied with its provisions of the Administrative Code regarding the bonding of certain City officials, as enumerated in Section 16.136-1 of the Administrative Code. The report found compliance with applicable provisions of the Administrative Code with the following two exceptions.

- a. Section 16.138 of the Administrative Code currently limits official bonds to one year periods. However, in one instance, a performance bond was obtained for a four year period.
- b. Section 16.139 of the Administrative Code currently provides that the insurance premium paid for performance bonds not exceed 1/2 of 1% of the face amount of the performance bond. However, the Controller's auditors found that two official bonds of \$5,000 and \$10,000 had \$100 annual premiums instead of the maximum allowable premium amounts of \$25 and \$50 respectively.

The proposed ordinance would amend Sections 16.138 and 16.139 of the Administrative Code, as follows:

- a. Section 16.138 would be amended to provide that the term of any individual official performance bond shall be for the full term of the office of the official covered by the bond, unless the City's Risk Manager determines that bonds for the full term of office are not commercially available or are not commercially available at economically feasible terms and rates.

- b. Section 16.139 would be amended to increase the maximum rate that the City can pay for official performance bonds from the existing 1/2 of one percent, annually, of the face value of the performance bond amounts for which the officers specified in Section 16.136-1 are bonded to two percent annually. However, the amendment also provides that the two percent limitation could be adjusted as necessary by the City's Risk Manager, with the approval, by resolution, of the Board of Supervisors.

**Comments:**

1. Mr. Keith Grand, the City's Risk Manager reports that the annualized premium cost of multiple year performance bonds are less expensive than single year performance bonds.
2. Mr. Grand further reports that small performance bonds, such as in amounts of \$5,000 and \$10,000, are not available at premiums below \$100. Mr. Grand reports that such small bonds are normally available at rates of two percent of the face value of the performance bonds.
3. Increasing the premium ceiling from 1/2 of one percent to two percent to accommodate the \$100 minimum annual premium for official performance bonds that is commercially available would increase the annual premiums for such bonds by an estimated \$1,000. However, as previously stated, official performance bonds are not commercially available at premiums less than \$100 annually.

**Recommendation:** Approve the proposed ordinance.

Item 4 - File 127-92-2

**Note:** This item was continued by the Finance Committee at its meeting of April 29, 1992.

1. The proposed item would amend Article II, Part III of the San Francisco Municipal Code, by amending Section 807 thereof, providing an exemption from the payment of the Stadium Operator Admission Tax, by extending for one year, through December 31, 1992, the exemption from the payment of admission taxes on tickets sold at \$12.99 or less.

2. Until December 31, 1991, Section 807 of Article II, Part II of the San Francisco Municipal Code provided for an exemption from the \$0.50 Stadium Operator Admission Tax for tickets prices at \$12.99 or less for the first 42,500 paid admissions to any single event. Since January 1, 1992, the exemption from the \$0.50 tax applies only to all tickets prices at \$2.01 or less. The proposed ordinance would amend Section 807 to extend the exemption from the \$0.50 tax for tickets priced at \$12.99 or less for the first 42,500 paid admissions at each event to be effective for one year, until December 31, 1992.

Baseball season began April 4, 1992, and the exemption from the Stadium Operator Admission Tax expired on December 31, 1991. Since season tickets have previously been sold for the 1992 season and home games have already been played, if approved, the proposed ordinance would need to be amended to provide an exemption from the payment of the Stadium Operator Admission Tax on tickets sold at \$12.99 or less retroactive to January 1, 1992.

3. The Stadium Operator Admission Tax was established in 1971 to finance partially the expansion of Candlestick Park. The Giants report that a) the stadium expansion of 1970 was exclusively for the accommodation of football; b) between 1970 and 1979, attendance in excess of pre-expansion capacity (approximately 42,500) occurred on only 15 occasions totalling only 118,526 tickets with total additional ticket sales from the expansion resulting in approximately \$511,600 of additional revenue; c) during this same time period (1970-79), the Giants generated approximately \$2,064,046 in Stadium Operator Admission tax revenues. Since 1980, the Giants have exceeded pre-expansion capacity on 60 dates (10 of these dates were in the 1989 season which had total attendance of 2,370,126 including 310,297 for three playoff games and two World Series games).

4. Prior to 1977, exemptions from this Stadium Operator Admission Tax had a minor impact on revenues and were primarily limited to tickets prices at \$2.01 or less. From 1977 through 1987, the ticket prices to be exempt rose several times. During 1988 and 1989, the exemption was on tickets of \$12.99 or less for the first 42,500 paid admissions at each event. Tickets sold in excess of 42,500 at each event were subject to the \$0.50 tax. As previously noted, the proposed ordinance would extend the exemption for tickets priced at \$12.99 or less for the first 42,500 paid admissions until December 31, 1992.

5. Actual revenues to the Candlestick Park Fund from the \$.50 Stadium Operator Admission Tax from FY 1986-87 through FY 1991-92 have been as follows:

	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	
49ers	\$304,561	\$306,400	\$349,089	\$341,000	\$326,000	\$326,000	****
Giants	0	87,636*	11,094**	176,259***	22,262**	6,761**	
Monsters of Rock Concert			<u>32,500</u>				
Total	<u>\$304,561</u>	<u>\$394,036</u>	<u>\$392,683</u>	<u>\$517,259</u>	<u>\$348,262</u>	<u>\$332,761</u>	

\* Reflects Admission Tax payments on playoff games which had ticket prices exceeding \$9.99.

\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game.

\*\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game and for playoff and World Series games which had ticket prices exceeding \$12.99.

\*\*\*\* Estimate based on ticket sales for 1991.

6. Ticket prices for the Giants in 1992 are \$12.25 lower box, \$11.25 upper box, \$10.25 lower reserved, \$8.25 upper reserved, \$5.25 pavilion, and \$2.75 general admission. These prices represent an increase of 25¢ per ticket for each of these categories over the 1991 prices to provide the per ticket surtax of 25¢ for tickets of less than \$27 (Giants tickets). A surtax of 75¢ was added in 1991 for tickets of \$27 or more (49ers tickets). These ticket surtaxes were implemented for the 1992 baseball and football seasons to support San Francisco high school sports. Since the prices of all the Giants tickets are less than \$12.99, all tickets sold by the Giants, excluding those tickets sold in excess of 42,500 per game, and excluding playoff and World Series tickets which have a price exceeding \$12.99, are exempt from the Stadium Operator Admission Tax. Ticket prices for the 49ers will increase from \$35 to \$35.75 for all seats in 1992. This 75¢ increase over the 1991 prices provides for the per ticket surtax of 75¢ for tickets over \$27 noted above. In accordance with a 1985 agreement between the City and the 49ers, luxury boxes are exempt from the Stadium Operator Admission Tax.

7. The projected amount of annual revenue in 1992 from the Stadium Operator Admission Tax, a) based on an exemption for all tickets sold at \$2.01 or less (which would result if this proposed ordinance were not approved), and b) based on an exemption for all tickets sold at \$12.99 or less (which would result if this proposed ordinance were approved), and c) based on budgeted and projected 1992 attendance figures, would be as follows:



Projected 1992 Stadium Operator Admission Tax Revenues

	If exemption of tax is on all tickets of \$2.01 or less (If proposed legislation is not approved)	If exemption of tax is on all tickets of \$12.99 or less for the first 42,500 paid admissions at each event (If proposed legislation is approved)	Estimated Additional Revenues to the City (If proposed legislation is not approved)
49ers	\$326,000	\$326,000	0
Giants	<u>875,000</u>	<u>6,761</u>	<u>\$868,239</u>
Total	\$1,201,000	\$332,761	\$868,239

Stadium Operator Admission Tax revenues are credited to the Candlestick Park Fund. If the proposed legislation were not approved, this would result in the Candlestick Park Fund being credited with additional estimated annual revenues of \$868,239. However, since the Candlestick Park Fund also receives a stipulated percentage of Hotel Tax revenues, by amending the Hotel Tax Ordinance by an amount of Hotel Tax revenues corresponding to the additional Stadium Operator Admission Tax revenues, these funds could be allocated to the General Fund. Therefore, approval of the proposed legislation would effectively result in an estimated loss of revenue to the General Fund of approximately \$868,239.

8. Although the previous exemption expired on December 31, 1991, the Giants report that to date, they have not been collecting any Operator Admission Taxes. According to the Giants, a total of approximately 941,000 tickets have been sold to date, including 298,000 individual tickets and 643,000 season tickets. Based on a total of approximately 1,750,000 tickets to be sold for the entire season, approximately 809,000 tickets remain to be sold. Applying the Stadium Operator Admission Tax only on all prospective Giants tickets used after May 11, 1992 would result in approximately the following revenues:

Box seats (lower and upper)	\$ 177,980
Reserved (lower and upper)	145,620
General Admission/Pavilion	<u>80,900</u>
Subtotal Prospective Revenues	\$ 404,500
Season Ticket Holders (Tickets not yet Used)	<u>271,500*</u>
Total Prospective Revenues	\$ 676,000

\*It should be noted that since the Giants would have address information for their season ticket holders, a letter could be sent to those Giants ticket purchasers to collect the Stadium Operator Admission Tax, for those tickets not yet used. As of the writing of this report, a total of 643,000 season tickets have been sold, but thus far, only 100,000 season tickets have been used.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

9. As noted above, the estimated additional revenues to the City from Giants tickets if the proposed legislation is not approved, would be approximately \$868,239. If prospective General Admission and Pavilion tickets, the two lowest priced tickets, are exempted from the Stadium Operator Admission Tax, a total of \$787,339 in revenues would be generated (\$868,239 less \$80,900 in projected revenues from General Admission/Pavilion tickets). If both prospective and retroactive General Admission and Pavilion tickets are exempted from the Stadium Operator Admission Tax, a total of \$763,499 in revenues would be generated (\$868,239 less \$80,900 in projected revenues and an estimated \$23,840 in retroactive revenues from General Admission/Pavilion tickets).

### Recommendations

(1) Providing for an exemption of the \$0.50 Stadium Operator Admission Tax on all tickets prices at \$12.99 or less for the first 42,500 paid admissions at each event, which would effectively result in an estimated loss of revenue to the General Fund of approximately \$868,239, is a policy matter for the Board of Supervisors.

(2) If the legislation is approved, the proposed ordinance should be amended to provide an exemption from the payment of the Stadium Operator Admission Tax on tickets sold at \$12.99 or less retroactive to January 1, 1992.



Item 5 - File 254-92-1

**Note:** This item was continued by the Finance Committee at its meeting of April 29, 1992

**Department:** Juvenile Probation Department

**Item:** Resolution establishing new maximum daily charges for support of minors placed in City and County Juvenile Detention Institutions and authorizing the Chief Probation Officer of the Juvenile Probation Department to charge less than the maximum rates when the Juvenile Court determines that a lesser charge is appropriate based on the parents' or guardians' ability to pay.

**Description:** The Juvenile Probation Department reports that Section 202 of the State Welfare and Institutions Code provides that the parental obligations to support and maintain a minor child continues, subject to the ability of the parent to pay, during any period which the minor may be declared a ward of the court and removed from the custody of the parent.

The Juvenile Probation Department has historically absorbed the cost to support minors incarcerated in Juvenile Hall and Log Cabin Ranch. The Department is now proposing to charge the parents or guardians of these minors for these support costs. The proposed legislation would establish the following new maximum daily rates to be charged to parents or guardians for support of minors placed in Juvenile Hall and Log Cabin Ranch:

Juvenile Hall

Food and Preparation	\$14.07
Clothing and Related Expenses	1.75
Personal Needs of Minors	<u>.15</u>
Total Daily Rate	\$15.97

Log Cabin Ranch

Food and Preparation	\$22.21
Clothing and Related Expenses	.95
Personal Needs of Minors	<u>.07</u>
Total Actual Daily Cost	\$23.23

Less: Amount exceeding maximum allowable charges (pursuant to Section 903 of the Welfare and Institutions Code)	<u>(5.67)</u>
Total Daily Rate	\$17.56

Additionally, the proposed legislation would authorize the Chief Probation Officer to charge less than the maximum rates noted above, when the Juvenile Court determines that a lesser charge is appropriate based on the parents' or guardians' ability to pay.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. Although the proposed support costs can be charged to the parents or guardians, the Juvenile Probation Department reports that Section 903 of the Welfare and Institutions Code specifically prohibits charging parents or guardians for any costs associated with incarceration, treatment or supervision of the minor child. Additionally, medical costs incurred by the minor child for purposes of incarceration, such as preadmission medical screening, are not chargeable to parents or guardians. The DPH advises that all other medical costs incurred by the minor child are more efficiently recovered by billing the patients or their insurance carriers directly. As such, these medical costs are not included in the proposed daily rates for the support of minors.

2. Ms. Patricia Grice of the Juvenile Probation Department estimates that approximately \$29,750 in revenues would be generated in the first year from the daily rates charged to parents or guardians for the support of minors placed in Juvenile Hall and Log Cabin Ranch.

3. Ms. Grice advises that the \$15.97 maximum daily rate to be charged to parents and guardians for the support of minors at Juvenile Hall would fully cover the costs for these expenditures. However, Section 903 of the Welfare and Institutions Code stipulates that the maximum daily rate to be charged to parents or guardians cannot exceed \$17.56. Therefore, the maximum daily rate charged for the support of minors of \$17.56 at Log Cabin Ranch will not fully cover the actual daily costs of \$23.23 for Log Cabin Ranch.

**Comment:**

Although the Welfare and Institutions Code limits the charging of support costs only for juveniles, Lieutenant Jan Demsey of the Sheriff's Department reports that Section 10.39-2 of the Administrative Code authorizes the Adult Probation Department to collect monies from adult offenders, if authorized by the Court pursuant to Section 1203 of the State Penal Code, for the overall daily cost of incarceration in San Francisco County jails. The payment of such costs by adult offenders is based on the ability to pay.

**Recommendation:** The proposed resolution is a policy matter for the Board of Supervisors.

Item 6 - File 101-91-55.1

**Note:** This item was continued by the Finance Committee at its meeting of April 29, 1992.

**Department:** Controller

**Item:** Requesting release of \$97,258 to backfill critical positions vacated because of early retirement

**Source of Funds:** General Fund

**Description:**

1. On March 9, 1992, the Board of Supervisors approved an ordinance (File 101-91-49) amending the Annual Appropriation Ordinance to allow the Controller to transfer salary and fringe benefit savings, appropriated for positions held by employees who retire early under the City's "3 + 3" Program (Proposition A), to a reserve account to finance the lump sum sick leave and vacation payments.
2. Some of the positions vacated as a result of Proposition A, such as department head positions and other critical positions, are mandated by the Charter. Other positions, although not mandated are deemed necessary for the effective functioning of a department. If an individual retires from a position that is considered to be a mandated or critical position, that position can be backfilled, if approved by the Proposition A Committee. The Committee consists of the Mayor, General Manager, Personnel, and the Controller, or their designees, and two labor representatives appointed by the San Francisco Labor Council, who serve as advisory members.
3. On March 11, 1992, the Finance Committee approved an ordinance appropriating \$3,000,000 for the purpose of backfilling those positions, and reserved the \$3,000,000 pending Finance Committee review of positions selected by the Proposition A Committee to be backfilled. The Proposition A Committee convened on March 19 and March 20, 1992, and as a result of its departmental hearings process, recommended that \$1,867,425 for backfilling 199\* General Fund positions be released from reserve. The Finance Committee approved the release of funding in the recommended amount at its meeting of March 25, 1992.

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\* 200 were recommended for release for backfill but one of these positions did not take early retirement.

4. The Proposition A Committee reconvened its hearings on March 26, 1992, and subsequently requested that \$879,322 of the remaining \$1,132,575 from the \$3,000,000 supplemental appropriation be released for funding the backfill of 169 General Fund positions. The Finance Committee approved the release of funding in the recommended amount at its meeting of April 1, 1992.

5. The Proposition A Committee reconvened its hearings on April 2, 1992, and subsequently requested that \$155,993 of the remaining \$253,253 from the original \$3,000,000 supplemental appropriation be released for funding the backfill of 61 General Fund positions (one Proposition A retiree was restored to his position, making the actual figure 60). The Finance Committee approved the release of funding in the recommended amount at its meeting of April 8, 1992. Therefore a balance of \$97,260 remained from the original appropriated \$3,000,000.

6. The Proposition A Committee reconvened its hearings on April 9, 1992. The Proposition A Committee, following the direction of the Finance Committee, did not recommend that funds from the remaining \$97,260 of the original \$3,000,000 supplemental appropriation be released from reserve. Instead, the Proposition A Committee indicated to the Finance Committee on April 8, 1992, that the Proposition A Committee would begin to identify the minimum of 500 General Fund positions to be eliminated, prior to requesting the release of additional reserved funds for backfilling vacated positions.

7. The Proposition A Committee reconvened its hearings on April 16, and April 17, 1992. The Proposition A Committee discussed, with the individual department representatives, whether to retain specific positions, to provisionally retain specific positions or to delete specific positions. The Committee, at those hearings, decided to retain an additional 107 positions, abolish 61 positions, and provisionally retain an additional 35 positions. The Proposition A Committee did not recommend that funds from the remaining \$97,260 of the original \$3,000,000 supplemental appropriation be released from reserve.

8. The Proposition A Committee reconvened its hearings on April 23, 1992, with a representative of the Budget Analyst's Office in attendance. At that hearing, the Proposition A Committee selected the final 41 positions to be retained from the 541 remaining positions. The Committee voted to recommend to the Mayor that the remaining 500 Proposition



A vacated positions not selected for retention or placed on the provisional list be abolished.

9. The Proposition A Committee is now requesting that \$96,945 of the remaining \$97,260 from the \$3,000,000 supplemental appropriation be released for funding the backfill of 28 additional General Fund positions. Attachment I is a report listing the 28 positions to be backfilled and the amounts recommended by the Proposition A Committee, totalling \$96,945. Page 3 of Attachment I shows for each City department the number of Proposition A retirees (1,336), the number of mandatory (370), and non-mandatory (466) positions retained, and the number of positions abolished (500).

**Comments:**

1. The Finance Committee has thus far released backfill funding in the amount of \$2,902,740 from the \$3,000,000 supplemental appropriation, as follows:

	<u>Amount</u>	<u>Number of Positions</u>
Released by the Finance Committee on 3/25/92	\$1,867,425	199
Released by the Finance Committee on 4/1/92	879,322	169
Released by the Finance Committee on 4/8/92	<u>155,993</u>	<u>60</u>
Total	\$2,902,740	428

Therefore, as previously noted, a balance of \$97,260 remains. In addition to the \$2,902,740 already released from reserve, additional funds actually and potentially available to the Health Department, the Municipal Railway, the Recorder's Office and the Public Administrator's Office will be used for funding positions previously approved for backfilling by the Finance Committee. Each of these positions were included with \$1 of funding of the original \$3,000,000 appropriation.

2. As previously noted, the Proposition A Committee is recommending to the Mayor a total of 500 General Fund positions for elimination (see Attachment I, page 3 for a list, by department only, of the positions to be abolished. As of the writing of this report, the list of each of the 500 specific positions to be abolished has not yet been provided to the Budget Analyst). The 500 positions recommended to be abolished represents the minimum permissible number under Proposition A to be eliminated from the City's FY 1991-92 and FY 1992-93 budgets. Upon recommendation of the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Mayor, the Board of Supervisors, by a two-thirds vote, may restore to the Fiscal Year 1991-92 budget or place in the FY 1992-93 budget any of the positions designated for elimination.

3. Elimination of each position through the Proposition A process saves approximately \$50,000, including fringe benefits, on the average. Should, for example, 600 rather than 500 General Fund positions be eliminated through the Proposition A process, an additional approximately \$5,000,000, annually, in General Fund savings would result.

4. The Transport Workers Union at the April 17, 1992, hearing testified that 40 9163 Transit Operator positions and 11 9139 Transit Supervisor positions, then in the non-mandatory pool of 647 positions, were actually positions mandated by Proposition A. The Union stated that, in fact, agreement was reached with the City to protect these transit positions prior to placing Proposition A on the ballot. Attachment II are copies of letters from the Transport Workers Union of America to the Proposition A Committee in which the Union claims that these two classifications are not subject to the Committee's elimination process. Should these 51 transit positions be subsequently placed on the position retention list, the Proposition A Committee would be forced to rescind some of its prior decisions regarding retaining positions. However, while one of these letters was signed off by Mr. Claude Everhart, former Deputy Mayor, the Union presented no evidence that the Board of Supervisors had agreed to any such conditions.

5. The Proposition A Committee was dissolved as the last order of its business at the Thursday, April 23, 1992, hearing.

6. As previously noted, the Proposition A Committee is now requesting that \$96,945 be released. This results in a balance of \$315 from the \$3,000,000 previously appropriated by the Board of Supervisors for the backfilling of positions. If the Finance Committee approves the requested release, given that the Proposition A Committee has been dissolved, the balance of \$315 should be returned to the General Fund.

- Recommendations:**
1. Release funds in the amount of \$96,945 for the purpose of backfilling the 28 additional positions identified by the Proposition A Committee at its meeting of April 23, 1992.
  2. Request the Controller to return the \$315 remaining balance of the original \$3,000,000 supplemental appropriation to the General Fund General Reserve.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





May 4, 1992

Finance Committee  
Board of Supervisors  
Room 235, City Hall  
San Francisco, CA 9410

Re: File No. 101-91-55.1  
Requesting release of funds  
to back fill early retirement  
positions

Dear Supervisors:

The Proposition A Early Retirement Review Committee established by charter section 8.517-1 concluded its review of positions vacated as a result of the Proposition A Early Retirement Program on Thursday, April 23.

At the meeting of April 23, the Committee recommended the attached list of 28 general fund funded positions for back filling. Once again, the Committee closely reviewed any positions with an annual salary in excess of \$60,000 as required by the Early Retirement legislation. Positions authorized with annual salary cost in excess of the \$60,000 threshold are indicated on the attached list with an asterisk. The Committee recommended back filling of a position from the date at which the department and Civil Service reasonably considered a replacement might be hired to the end of the fiscal year to minimize the amount of General Funds required.

Your approval to release \$96,945, of the remaining \$97,260, from the \$3,000,000 supplemental appropriation made for the purpose of back filling these mandated and critically needed positions is requested.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Edward Harrington".

Edward Harrington  
Controller

cc: Prop A Committee Members  
Budget Analyst

**POSITIONS APPROVED BY PROPOSITION A COMMITTEE ON 4/23/92 FOR BACK FILL:**

DEPARTMENT	CLASS	COUNT	MAN- DATED	NON MAN- DATED	AMOUNT
2	ASSESSOR				
	4222 SENIOR PERSONAL PROPERTY AUDITOR	1		1	\$5,350
	4265 SENIOR REAL PROPERTY APPRAISER	1		1	\$5,350
		2		2	\$10,701
	SUB TOTAL:				
4	DISTRICT ATTORNEY				
	1458 LEGAL SECRETARY I	1		1	\$4,481
	8181 ASSISTANT CHIEF ATTORNEY I	1 *		1	\$7,619
	SUB TOTAL:	2		2	\$12,100
12	JUVENILE PROBATION				
	1426 SENIOR CLERK TYPIST	1		1	\$3,463
	2716 CUSTODIAL ASSISTANT SUPERVISOR	1		1	\$2,916
	2654 COOK	1		1	\$4,133
	8440 PROBATION OFFICER	1		1	\$4,724
	SUB TOTAL:	4		4	\$15,236
13	ADULT PROBATION				
	8440 PROBATION OFFICER	1		1	\$4,724
	8442 SENIOR PROBATION OFFICER	1		1	\$5,202
	SUB TOTAL:	2		2	\$9,926
41	PUBLIC LIBRARY				
	1222 SR PAYROLL AND PERSONNEL CLERK	1		1	\$4,275
	1498 SUPERVISING CLERK II	1		1	\$2,797
	2708 CUSTODIAN	1		1	\$3,181
	3616 LIBRARY TECHNICAL ASSISTANT I	1		1	\$3,999
	3618 LIBRARY TECHNICAL ASSISTANT II	1		1	\$4,376
	SUB TOTAL:	5		5	\$18,627
65	LAGUNA HONDA				
	1656 HEAD ACCOUNTANT	1		1	\$2,050
	1658 CHIEF ACCOUNTANT	1 *		1	\$2,491
	SUB TOTAL:	2		2	\$4,541
86	SAN FRANCISCO GENERAL HOSPITAL				
	1932 ASSISTANT STOREKEEPER	1		1	\$1,106
	2233 SUPERVISING PHYSICIAN SPECIALIST	1 *		1	\$3,504
	2322 HEAD NURSE	2 *		2	\$5,156
	2450 PHARMACIST	3		3	\$6,035
	2453 SUPERVISING PHARMACIST	1		1	\$2,216
	2496 DIRECTOR, RADIOLOGY	1 *		1	\$2,774
	2925 CHIEF, MEDICAL SOCIAL SERVICES	1		1	\$2,195
	7120 BLDG & GROUNDS MAINT SUPERINTENDENT	1 *		1	\$2,828
	SUB TOTAL:	11		11	\$25,814
	TOTAL:	18 *		18 *	<del>\$35,555</del>

\* Actual total is 28.

General Fund appropriation for general fund backfills: \$3,000,000

Funding released from reserve based on recommendations  
of the Proposition A Review Committee:

Funding released from reserve on 3/25/92:	(\$1,867,425)
Funding released from reserve on 4/1/92:	(\$879,322)
Funding released from reserve on 4/9/92:	(\$155,993)
Total requested of \$3 million:	(\$2,902,740)

Balance as of 4/5/92: \$97,260

Funding requested for release on 5/6/92: (\$96,945)

Balance: \$315

CITY AND COUNTY OF SAN FRANCISCO  
PROPOSITION A EARLY RETIREMENT COMMITTEE

## NUMBER OF RETIREES BY DEPARTMENT

DEPARTMENT	RETIRES	RETAINED*		ABOLISHED
		Mand	Non-mand	
1 BOARD OF SUPERVISORS	2		1	1
2 ASSESSOR	10		5	5
3 CITY ATTORNEY	9	4	2	3
4 DISTRICT ATTORNEY	10	4	2	4
5 PUBLIC DEFENDER	1			1
6 SHERIFF	1		1	0
8 TREASURER-TAX COLL	15	2	6	7
9 CONTROLLER	45	1	17	27
12 JUVENILE PROBATION	14	1	6	7
19 ADULT PROBATION	9		5	4
25 MAYOR	3	2	1	0
26 COMMISSION ON AGING	4	4		0
27 AIRPORT	70	70		0
29 CITY PLANNING	5	1	1	3
30 CIVIL SERVICE	6	1	2	3
31 FIRE	3	1		2
32 HETCH HETCHY	21	21		0
33 HEALTH SERVICE SYSTEM	3		2	1
34 HUMAN RIGHTS	2		1	1
35 MUNICIPAL RAILWAY	234	85	42	107
36 PARKING & TRAFFIC	19	5	4	9
38 POLICE	22		8	14
39 PORT	11	11		0
40 PUBLIC UTILITIES COMM	41	13	11	17
41 LIBRARY	35		17	18
42 RECREATION & PARK	81	18	23	41
44 RETIREMENT SYSTEM	4	2	1	1
45 SOCIAL SERVICES	114		66	48
46 WAR MEMORIAL	5	5		0
47 WATER DEPARTMENT	30	30		0
49 LIGHT, HEAT, POWER	1		1	0
61 FINE ARTS MUSEUMS	7			7
62 ASIAN ART MUSEUM	1	1		0
70 CHIEF ADMIN OFFICER	1	1		0
71 REAL ESTATE	4		2	2
72 COUNTY AGRICULTURE	1		1	0
75 ELECTRICITY	10		6	4
78 RECORDER	1		1	0
79 PUBLIC ADMINISTRATOR	1		1	0
DEPARTMENT OF HEALTH				
83 PUBLIC HEALTH	54	11	27	16
85 LAGUNA HONDA	101		65	36
86 S.F. GENERAL HOSPITAL	134		84	50
87 MENTAL HEALTH	35	2	23	10
TOTAL DPH	324	13	199	112
DEPARTMENT OF PUBLIC WORKS				
90 PUBLIC WORKS	135	72	22	41
91 PURCHASER	20	2	8	10
93 CONVENTION FACILITIES	1		1	0
TOTAL	1336	370	466	500

\* Positions mandated by charter section 8.517-1 (primarily due to 100% non-General Fund support) or those recommended for retention.



Attachment II  
Page 1 of 4  
TRANSPORT WORKERS UNION OF AMERICA

LOCAL 250-A AFL-CIO

660 HOWARD STREET, 3RD FLOOR - SAN FRANCISCO, CA 94102  
TEL: (415) 543-4970 - FAX: (415) 543-5944

REC-73

BOBBIE L. BROWN  
PRESIDENT

April 17, 1992

CLAIRE CALDWELL  
EXECUTIVE VICE-PRESIDENT

PROPOSITION "A" REVIEW COMMITTEE

City & County of San Francisco  
Room 200, City Hall  
San Francisco, CA 94102

RAY J. ANTONIO  
SECRETARY-TREASURER

Dear Committee Members:

Transport Workers Union, Local 250-A is very concerned about the affect and impact of reductions in service and personnel as a result of Proposition "A" - the 3+3 retirement plan, and foresee it as a major and immediate problem our members face.

Charter amendment language contained in Section 8.517-2 EARLY SERVICE RETIREMENT, items (2), (3), and (4) which outlines mandated positions according to specific criteria is of serious concern to Local 250-A and our members. In fact, the language as approved by the voters was the result of the meet and confer process held between the City and this Union which resulted with a ratified MOU which provides the following:

"There will be no layoff of employees covered by any of the TWU Memoranda of Understanding or reduction of budgeted positions covered by any of the TWU Memoranda of Understanding from the date of this letter until the end of fiscal year 1991-1992. Thereafter, before there is a layoff of employees or a reduction of budgeted positions, the City and the PUC will meet and confer with this Union as necessary."

This Local Union views any reduction in service or shortage of operators as a violation of our current MOU, as well as a violation of the TIDF funding as related to downtown service. Any proposed reductions in service or operating personnel should be offsetted and made up by TIDF funds.

Further, we will oppose any service cuts or any reduction in MUNI's operating budget due to the hardship these cuts will create on our hard working members. There should be no question that the work our members perform is essential in the delivery of public service to the City and to the citizens of San Francisco. Any cuts would only aggravate and exacerbate the situation.

VICE-PRESIDENTS  
JOE W. BARNES  
LEJEUNE CARTER  
WILLIAM V. SISK

EXECUTIVE BOARD  
CHARLES FLINTROY  
WESTON HATCH  
WILSON MILLS  
FRANCIS TOLLIVER

SARITA BRITT  
LYNN DIVISION CHAIRPERSON



## Local 200

### Transport Workers Union of America

Affiliated with American Federation of Labor and Congress of Industrial Organizations  
660 Howard Street, Third Floor - San Francisco, CA 94105 - (415) 495-7326

FRED PETERSON, II  
President

April 17, 1992

ALICE FIALKIN  
Executive Vice-President

Proposition A Review Committee  
San Francisco City and County  
City Hall

ERREL CROSS  
Secretary-Treasurer

Dear Committee members:

OM PIGGEE  
1st Vice-President

This letter expresses our firm belief that all 9139 Transit Supervisor requisitions shall be back-filled under the Proposition A, Early Retirement, Charter Amendment. Our position is based on the following:

ATE JACKSON  
2nd Vice-President

ENNETH A. RODRIGUEZ  
Recording Secretary

1) The 9139 Transit Supervisors qualify as mandated positions according to the language of Section 8.517-2 of the Charter. They meet the criteria under numbers (2), (3), and (4) of Section 8.517-2(b).

ONALD A. JONES  
Executive Board Member

2) The language of Proposition A was negotiated to qualify the full return of the 9139's in total. It was negotiated as part of the Freeze agreement. For the Committee to deny this trade off and refuse to fill these requisitions would be in violation of the Freeze agreement.

Additionally, we feel the 9140 Transit Manager I and the 9141 Transit Manager II positions are protected under criteria number (3) of Charter Section 8.517-2(b) as well. We enclose the M.O.U. side letter negotiated in May of 1991 which we believe supports the filling of these positions.

We hope you will consider the above and grant Mand. and requisitions vital to the delivery of safe, courteous, and efficient transit services in compliance with our Memorandum of Understanding.

Sincerely,

*Fred Peterson, II*  
Fred Peterson II  
President

*Alice Fialkin*  
Alice Fialkin  
Executive Vice President

cc: L. Markov  
W. Johnson  
J. Stein





Item 7 - File 28-92-5

**Department:** Department of Public Works (DPW)  
Juvenile Probation Department

**Item:** Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, safety and welfare of citizens and employees of the City by performing necessary work to abate fire, health and life safety hazards at the Youth Guidance Center.

**Amount:** \$1,685,029

**Source of Funds:** Correctional Facility Bond Act of 1988 (\$1,351,637) and a previously approved Supplemental Appropriation of \$333,392 in General Fund monies (File 101-91-56). These monies were specifically appropriated for repairs to the Youth Guidance Center. The \$333,392 would leverage the \$1,351,637 in State Bond funds.

**Description:** The Juvenile Probation Department reports that, in order to protect the health and safety of juvenile offenders and staff, there is a need for emergency repair work to be performed to (1) upgrade the fire safety system at the Youth Guidance Center and (2) replace plumbing fixtures in Cottage B5 at Juvenile Hall and glass windows in all cottages at Juvenile Hall. The Department advises that a recent fire inspection at the Youth Guidance Center determined that certain safety standards were not being met. The upgrading of the fire safety system at the Youth Guidance Center to bring the building into compliance with current fire and safety codes, would include the installation of fire alarms, fire detectors, horns, strobes (lights which blink on and off in response to a fire), call stations (used to report a fire), fire walls and other building modifications necessary to enhance the containment of fires. According to the Department, the State of California Youth Authority has threatened to decertify Juvenile Hall if the plumbing fixtures in Cottage B5 and the glass windows in all of the cottages are not replaced. The Department advises that the outmoded plumbing fixtures pose a health hazard and the glass windows pose a health and safety hazard in situations wherein they are shattered during attempts by juvenile offenders to escape. The glass window panes would be replaced by safety glass, which would resist shattering and in addition would be stronger, which would enhance security.

The Juvenile Probation Department reports that it formally declared this work an emergency to the Juvenile Probation Commission on April 14, 1992.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The Department of Public Works (DPW) reports that, in accordance with Section 6.30 of the Administrative Code, the Department would use expedited procedures to issue an Invitation for Bids for the necessary construction work required to abate the fire, health and life safety hazards at the Youth Guidance Center and Juvenile Hall. Mr. Howard Wong of the DPW, Bureau of Architecture anticipates that the construction work would commence on or before September of 1992, and would be completed within ten months. The estimated cost to perform this necessary emergency work, as prepared by DPW, is detailed below:

Construction Contractors	\$1,070,322
DPW, Bureau of Architecture	236,895
DPW, Bureau of Engineering	101,740
Permits	14,776
Contingency (18% of construction, architecture, engineering and permit costs)	<u>261,296</u>
Total	\$1,685,029

**Comments:**

1. The Juvenile Probation Department reports that the emergency work at Juvenile Hall must be underway or completed by the time the State of California Youth Authority performs its annual inspection in the Fall of 1992, in order to avoid decertification.

2. Mr. Wong reports that the \$261,296 (18 percent) for contingencies is based on the broad scope of the emergency work to be performed and the fact that the buildings involved are older and may require significant asbestos work, as well as other work which cannot be anticipated at this time. Mr. Wong advises that it is not unusual for projects of this type to have contingency amounts which reflect all phases of the project.

**Recommendation:** Approve the proposed resolution.

Item 8 - File 28-92-6

**Department:** Fire Department

**Item:** Resolution authorizing the Fire Department to take necessary measures to protect the health and welfare of the Firefighters of Station 28 by performing the necessary work to restore the integrity of Fire Station 28 at 1418 Stockton Street against water leakage into its walls and foundation.

**Amount:** Not to exceed \$60,000

**Source of Funds:** 1986 Fire Protection Bond Funds

**Description:** The Fire Department reports that at the end of January 1992, severe water leakage occurred in the basement and kitchen area of Fire Station 28, as a result of water seepage into the foundation caused by heavy rains. The Department advises that the foundation is over eighty years old. According to the Department, the leakage is concentrated in the foundation and walls of the building and has caused extremely damp conditions which have resulted in mold buildup.

The Fire Department formally declared that an emergency condition existed due to the damage caused by the water leakage on April 15, 1992. The Department did not declare an emergency earlier because they were not initially aware of the health hazard that existed, until some of the Firefighters experienced health problems. These problems were determined by the Department's physician to result from the damp conditions and mold buildup.

Deputy Chief Frank Scales of the Fire Department reports that the Fire Department, in accordance with Section 6.30 of the Administrative Code, will use expedited procedures to issue an Invitation for Bids for the necessary construction work required. Deputy Chief Scales advises that the \$60,000 estimate for the construction work, which would involve injecting water proofing material into the foundation, is based on a preliminary estimate received from a contractor. Deputy Chief Scales anticipates that the construction work would commence by May 25, 1992 and would be completed within a month.

**Comment:** As noted above, the proposed legislation includes an estimated amount not to exceed \$60,000 for the proposed construction, which is based on an estimate received from a contractor. However, Mr. Robert Jew of the Department of Public Works (DPW) reports that the contractor's estimate, is based on the cost of construction only. According to Mr. Jew the actual estimated cost of the emergency repair is \$96,800, based on construction costs, design and engineering costs and construction management costs. Therefore, the proposed legislation should be amended to reflect an estimated amount of \$96,800 instead of not to exceed \$60,000.

**Recommendation:** Amend the proposed legislation to reflect an estimated amount of \$96,800 instead of not to exceed \$60,000 for the emergency repairs and approve the legislation as amended.

Item 9 - File 114-92-2

**Note:** This item was continued by the Finance Committee at its meeting of April 29, 1992.

- Department:** Public Works, Bureau of Building Inspection
- Item:** Ordinance amending Part II, Chapter 1, Sections 330, 331, 332, and 333 of the San Francisco Municipal Code (Building Code) to increase various fees imposed by the Department of Public Works, Bureau of Building Inspection (BBI).
- Purpose:** To increase permit fees relating to new construction, alterations, and related activities in order to fully recover costs of the Department of Public Works, Bureau of Building Inspection.
- Description:** The proposed ordinance would amend various sections of the San Francisco Municipal Code (Building Code) relating to fees charged by the Department of Public Works, Bureau of Building Inspection (BBI), by increasing those fees. BBI proposes to increase its fees by an average of five percent (refer to attachment for summary of proposed fee increases). BBI fees were last increased an average of 15 percent in July of 1991. Two-thirds of the FY 1991-92 fee increase, or 10 percent, was to offset new and increased costs, including the costs of State-imposed requirements. One-third of the FY 1991-92 fee increase, or five percent, was proposed to offset salary standardization costs.
- Under the proposed ordinance, Section 330.1 would be amended to increase various building permit fees as shown on pages 1 and 2 of the attachment. Building permit fees represent the largest single source of revenues for BBI. These fee increases would range from 2.63 percent to 6.67 percent. The proposed fee increases would affect all building and alteration permits. In addition, the following miscellaneous permit fees would be increased under Section 330.1 (percentages and fee levels summarized in attachment):
- Sign Permits
  - Bleacher Permits
  - Chimney and Flue Permits
  - Demolition of Building Permits



- Extra Permit Work
- Garage Door Permits
- Grading Permits
- House Moving Investigation and Permit Fee
- Recommencement of Work Not Completed
- Re-roofing Permits
- Strong Motion Instrumentation Fee
- Sub-sidewalk Construction and Use Permit Fee

All electrical permit fees would increase under the proposed amendments to Section 330.2. The increases for the electrical fees would range from 4.00 percent to 6.67 percent, with two minor exceptions concerning very low dollar amounts. Electrical fee increases are summarized on pages 2 through 5 of the attachment.

All plumbing permit fees (Section 330.3) and apartment and hotels licensing fees (Section 333.1) would be increased. Plumbing permit fee increases would range from 4.83 percent to 6.67 percent (see pages 5 and 6 of attachment), while apartment and hotels licensing fees would be increased by approximately five percent (see page 10 of attachment).

Other proposed fee increases include (amended Municipal Code Sections and attachment page numbers in parenthesis):

- Permit application and plan review fees (Section 331, pages 6-7)
- Public notification and record keeping fees (Section 332, page 7)
- Reproduction and Dissemination of Public Information (Section 332.1, pages 7-8)
- Fees for Inspections, Surveys, and Reports (Section 332.2, pages 8-9)



- Penalties, Hearings and Code Enforcement Assessments (Section 332.3, page 9)
- Refund fees (Section 332.4, page 9)
- Miscellaneous Fees (Section 332.5, pages 9-10)
- Hotel Conversion Ordinance fees (Section 333.2, pages 10-11)
- Energy Conservation fees (Section 333.3, page 11).

**Comments:**

1. The Board of Supervisors approved legislation in July of 1988 establishing a Building Inspection Special Revenue Fund in which construction-related permit fees are deposited. As such, these permit fees can only be used to recover the costs of BBI. As stated above, the proposed fee increases in 1991-92 were intended to recover increased costs of salary standardization for BBI personnel. However, salaries were not increased for FY 1991-92. Therefore, BBI collected the five percent increase in fees without incurring the expected salary standardization costs of approximately five percent. As a result, since FY 1988-89 and including the current fiscal year, BBI has accumulated approximately \$2,430,961 in operating reserves. BBI classifies these funds as "prepaid inspection fees" and uses the monies for projects related to BBI services or to complete permit processing or inspections for which fees were previously paid. Shown below is the current status of BBI's "Prepaid Inspection Services Account."

**Prepaid Inspection  
Services Account**

Prior Years Carryforward	\$2,132,409
Current Year Carryforward	
Fees and Interest	170,509
FEMA/OES* Reimbursements	<u>128,043</u>
	<u>298,552</u>
Balance carried forward to FY 1992-93	\$2,430,961

\*Federal Emergency Management Agency/Office of Economic Stabilization

2. Mr. Donald McConlogue of BBI reports that the proposed FY 1992-93 fee schedules were developed with the objective of increasing total estimated fee revenues by an overall average of five percent, or an estimated \$854,867, annually.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. Salary standardization costs for BBI will increase by a total of approximately 9.3 percent in the FY 1992-93 budget, as computed by the Controller's Office. This 9.3 percent is the combined estimated percentage for both Fiscal Years 1991-92 previously not paid and 1992-93. The fee increase of 15 percent that went into effect July 1, 1991, five percent of which was to offset expected salary standardization costs that were not realized, is still in effect to offset part of the salary standardization costs of approximately 9.3 percent for FY 1992-93.

4. Actual and estimated revenues and costs of BBI operations for FY 1990-91, FY 1991-92, and FY 1992-93 are summarized below:

**Comparison of BBI Revenues  
With Expenditures**

	FY 1990-91 <u>Actual</u>	FY 1991-92 Projection Based on Nine <u>Month Actuals</u>	FY 1992-93 Budget Based on <u>Existing Fees</u>	FY 1992-93 Budget Based on Proposed <u>Fee increases</u>
BBI Revenues	<u>\$15,962,658</u>	<u>\$17,469,503</u> *	<u>\$17,650,422</u> *	<u>\$18,505,289</u> *
BBI Permit Processing				
Direct Costs	\$13,177,604	\$13,408,202	\$14,166,332	\$14,166,332
Bureau overhead	1,498,376	1,777,568	1,710,124	1,710,124
Department overhead	1,103,629	1,191,669	1,411,133	1,411,133
Citywide overhead	<u>651,802</u>	<u>793,512</u>	<u>881,511</u>	<u>881,511</u>
Subtotal, costs	\$16,431,411	\$17,170,951	\$18,169,100*	\$18,169,100 *
FY 1992-93 Salary Standardization			<u>1,267,540</u>	<u>1,267,540</u>
Total Estimated FY 1992-93 Costs			<u>\$19,436,640</u>	<u>\$19,436,640</u>
Excess of BBI Revenues Over Permit Processing Costs (shortfall)	(\$468,753)	\$298,552	(\$1,786,218)	(\$931,351)

\* Estimates based on Controller's revenue and expenditure reports and the FY 1992-93 budget as submitted to the Mayor. The FY 1991-92 projected actual revenue amount from fees is \$17,097,422. The remaining \$372,081 (\$17,097,422 plus \$372,081 equals \$17,469,503) is due to interest earnings. The FY 1992-93 budgeted revenue amount from the proposed fees is \$17,952,289, which is 5.0

percent or \$854,867 more than the \$17,097,422 budgeted for FY 1992-93. The remainder of the estimated increase in FY 1992-93 budgeted revenues consists of interest revenue of \$400,000 and \$153,000 in Mission Bay work for total estimated revenues of \$18,505,289.

5. If the proposed fee increases are enacted for FY 1992-93, BBI's excess of permit processing costs over revenues are estimated to be \$931,351 (See Comment No. 4). The deficit of \$931,351 would then offset the balance carried forward to FY 1992-93 of \$2,430,961 (See Comment No. 1) for a total of \$1,499,610 balance carried forward to FY 1993-94.

6. If the proposed fee increases are not enacted for FY 1992-93, BBI's deficit of permit processing costs over revenues is estimated to be \$1,786,218. That estimated deficit of \$1,786,218 would then be deducted from the \$2,430,961 balance carried forward to FY 1992-93. The surplus that would then be carried forward to FY 1993-94 would be an estimated \$644,743 (\$2,430,961 less \$1,786,218).

7. Mr. McConlogue reports that BBI has experienced monthly periods in which expenses have exceeded revenues by approximately \$500,000. Mr. McConlogue states that an estimated surplus of \$644,743 is an insufficient amount to cushion the Bureau against low revenue periods.

**Recommendation:**

As noted above, the proposed fee increases are intended to recover the increased costs from salary standardization. However, BBI's fee increase of approximately 15 percent in FY 1991-92 included a 5 percent increase for expected salary standardization costs, which were not subsequently enacted. As previously noted, disapproval of this fee increase would still leave BBI in a self-sustaining position and with a carryover surplus of approximately \$644,743. Therefore, the Budget Analyst believes that approval of the proposed amendment to increase fees is a policy matter for the Board of Supervisors.

## Summary of proposed fee increases

Attachment 1 of 11

Section/ Fee type/ Fee level	Current	Proposed	% Chg
Section 330.1: Building Permit Fees			
New Construction *			
\$1.00-\$500	\$19.50	\$20.50	5.13%
501-2,000	\$19.50	\$20.50	5.13%
2,001-25,000	\$62.75	\$66.00	5.18%
25,001-50,000	\$333.75	\$354.00	6.07%
50,001-100,000	\$542.25	\$573.00	5.67%
100,001-500,000	\$829.75	\$874.00	5.33%
500,001-1,000,000	\$2,729.75	\$2,875.00	5.32%
1,000,000 and up	\$4,729.75	\$5,001.00	5.73%
Alteration Permit Fees			
\$0 to 100,000	1.3 times new construction permit fee		
100,001 and up	\$1,078.75	\$1,135.00	5.21%
	(plus 1.25 times new construction permit fee)		
Sign Permit fees			
Minimum	\$21.50	\$22.50	4.65%
Electric & non-electric**			
Up to 50 sq ft	\$21.50	\$22.50	4.65%
51-100 sq ft	\$21.50	\$22.50	4.65%
101-200 sq ft	\$34.50	\$36.25	5.07%
201-400 sq ft	\$50.75	\$53.50	5.42%
Over 400 sq ft	\$65.25	\$69.50	6.51%
Ground Signs**			
Up to 100 sq ft	\$21.50	\$22.50	4.65%
101-600 sq ft	\$21.50	\$22.50	4.65%
Over 600 sq ft	\$102.75	\$108.00	5.11%
Bleacher permit fees			
Permanent	See new construction fee schedule		
Temporary			
0-1,000 seats	\$20.75	\$21.75	4.82%
each additional 1,000 seats or fraction thereof	\$10.25	\$10.75	4.88%
Chimney and Flue fees			
Each chimney or flue	\$14.50	\$15.25	5.17%
Demolition Permit fees			
Construction Type			
Type II or V	\$28.50	\$29.25	2.63%
Other types	\$42.75	\$44.90	5.03%

\* Fees for new construction costs above \$500 are graduated, based on cost.

\*\* Graduated scale based on actual square footage.

## Summary of proposed fee increases

Attachment 2 of 11

Section/ Fee type/ Fee level		Current	Proposed	% Chg
Extra Permit Work		Two times the standard fees for work remaining to be done or not covered in original permit scope		
Garage Door Permits	Each Garage door	\$10.25	\$10.75	4.88%
Grading Permits		See new construction schedule		
House Moving Investigation and Permit Fee	Investigation	\$54.25	\$57.00	5.07%
	Permit	\$62.75	\$66.00	5.18%
Recommencement of work not completed		Standard Inspection Fee per Section 332.2		
Re-roofing permits		\$65.25	\$68.50	4.98%
Strong Motion Instrumentation Fee	Minimu	\$1.50	\$1.60	6.67%
Group R Occupancies of 3 stories or less, except hotels and motels.		0.0001***	0.00013***	
Hotels and Motels. All buildings greater than three stories.			0.00024***	
Sub-Sidewalk Construction and Use Permit fee	Construction	See new construction schedule		
	Use Permit: each	\$26.00	\$27.25	4.81%
	Street space deposit	\$39.50	\$41.50	5.06%
Section 330.2: Electrical Permit Fees-Schedule A				
New Building				
Filing Fee		\$26.00	\$27.25	4.81%
Service Fee	0-100 amps	\$65.25	\$68.50	4.98%
	Each additional amp over 100 amps	\$0.15	\$0.16	6.67%
Circuit Fees (0-30 amp circuits)				
	0-50 circuits, per circuit	\$13.25	\$13.90	4.91%
	over 50 circuits, per circuit	\$6.50	\$6.85	5.38%
	31-60 amp circuits, per circuit	\$15.75	\$16.55	5.08%
	61-100 amp circuits, per circuit	\$20.75	\$21.80	5.06%
	Over 100 amp circuits, per circuit	\$20.75	\$21.80	5.06%
Temporary wiring		one-half of above rate		

\*\*\* Times the valuation.

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Existing building work			
Filing Fee	\$26.00	\$27.30	5.00%
1-5 openings	\$22.75	\$23.90	5.05%
6-10 openings	\$45.50	\$47.80	5.05%
11-15 openings	\$57.00	\$59.85	5.00%
16-20 openings	\$79.75	\$83.75	5.02%
21-25 openings	\$90.50	\$95.05	5.03%
26-30 openings	\$102.75	\$107.90	5.01%
31-35 openings	\$113.50	\$119.20	5.02%
36-40 openings	\$124.50	\$130.75	5.02%
41-45 openings	\$136.50	\$143.35	5.02%
46-50 openings	\$147.25	\$154.60	4.99%
51-60 openings	\$158.75	\$166.70	5.01%
61-70 openings	\$170.25	\$178.80	5.02%
71-80 openings	\$182.25	\$191.35	4.99%
81-90 openings	\$193.25	\$202.90	4.99%
91-100 openings	\$204.25	\$214.45	4.99%
over 100 openings*	\$1.50	\$1.60	6.67%
Openings include switches, convenience receptacles, lighting fixtures, fixed appliances, motors, transformers, fire warning and detector devices.			
Electrical Permit fees-Schedule B			
Filing Fee	\$26.00	\$27.30	5.00%
Minimum fee	\$26.00	\$27.30	5.00%
each outlet or switch	\$1.00	\$1.05	5.00%
each svc up to 100 amps	\$13.00	\$13.65	5.00%
Each Circuit	\$2.00	\$2.10	5.00%
Each transformer dimmer	\$1.00	\$1.05	5.00%
Connection of motors and generators			
0-10 hp	\$2.00	\$2.10	5.00%
11-50 hp	\$2.25	\$2.35	4.44%
51-100 hp	\$2.50	\$2.65	6.00%
ea. hp over 100 hp	\$3.00	\$3.15	5.00%
Electric appliance connection			
Per kilowatt or fraction thereof	\$2.00	\$2.10	5.00%

\* per opening



## Summary of proposed fee increases

Attachment 4 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Range outlet connection, minimum	\$19.25	\$20.20	4.94%
Dryer outlet connection, minimum	\$13.00	\$13.65	5.00%
Fixed air heating devices, each Connection	\$1.00	\$1.05	5.00%
Cold cathode or Fluorescent lighting fixture	\$1.50	\$1.60	6.67%
Mercury vapor and similar lighting fixture	\$4.00	\$4.20	5.00%
Incandescent lighting fixture	\$1.50	\$1.60	6.67%
Activated electrical trench headers duct and electrical floor ducts	\$0.50	\$0.55	10.00%
Feeders:			
0-100 amps	\$13.00	\$13.65	5.00%
per ampere over 100 amps	\$0.10	\$0.10	0.00%
Underground Installations	\$32.75	\$34.40	5.04%
Fire alarms, pull stations incl outlets	\$5.25	\$5.50	4.76%
Fire alarms, visual and audio devices	\$2.00	\$2.10	5.00%
Fire alarms, detector control panels	\$6.75	\$7.10	5.19%
Fire sprinkler flow alarms	\$7.50	\$7.90	5.33%
Combustion detectors	\$2.00	\$2.10	5.00%
Electromagnetic hold open	\$2.00	\$2.10	5.00%
Low Energy Circuits			
each device	\$0.75	\$0.80	6.67%
each transformer	\$1.25	\$1.30	4.00%
each outlet	\$0.75	\$0.80	6.67%

## Summary of proposed fee increases

Attachment 5 of 11

<u>Section/ Fee type/ Fee level</u>		<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Electric Signs				
Exterior Signs	0-20 lam	\$20.75	\$21.80	5.06%
Interior Signs		\$13.00	\$13.65	5.00%
Each group of 10 lamps or portion thereof in excess of 20		\$3.00	\$3.15	5.00%
Each interior or exterior sign circuit		\$3.00	\$3.15	5.00%
Each Transformer or ballast in excess of 2		\$3.00	\$3.15	5.00%
Sign flasher control device		\$4.00	\$4.20	5.00%
Plant Owner registration				
	Each registration	\$130.50	\$137.50	5.36%
	ea. electrician regist.	\$7.00	\$7.35	5.00%
	late charge	\$7.00	\$7.35	5.00%
Section 330.3: Plumbing Permit Fees				
Plumbing permits		\$15.75	\$16.55	5.08%
Fixture & waste discharge device		\$13.50	\$14.20	5.19%
sump ejector		\$13.50	\$14.20	5.19%
rainwater leader		\$13.50	\$14.20	5.19%
gas permit		\$15.75	\$16.55	5.08%
gas line, each, including one outlet per line		\$6.75	\$7.10	5.19%
Each additional gas outlet		\$3.00	\$3.15	5.00%
water heater, each		\$11.75	\$12.35	5.11%
warm air furnace		\$40.50	\$42.55	5.06%
miscellaneous gas appliances		\$11.75	\$12.35	5.11%

## Summary of proposed fee increases

Attachment 6 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
gas flues, each	\$14.50	\$15.25	5.17%
Water line permits, 1-4 outlets /line	\$15.75	\$16.55	5.08%
Each additional water outlet	\$3.00	\$3.15	5.00%
Solar panels: per each collector	\$7.25	\$7.60	4.83%
Lawn Sprinklers: each control valve or vacuum breaker	\$9.75	\$10.25	5.13%
Each additional sprinkler head	\$0.20	\$0.21	5.00%
Fire Sprinkler Systems			
Fire sprinkler piping removal or alterations	\$12.25	\$12.85	4.90%
Undergrd fire sprinkler piping sys.	\$40.50	\$42.55	5.06%
Replace fire sprinkler heads 1-10	\$12.25	\$12.85	4.90%
Each additional head over 10	\$0.30	\$0.32	6.67%
Fire sprinkler piping installation			
1-10 sprinkler heads	\$12.25	\$12.85	4.90%
11-500 sprinkler heads	\$12.25	\$12.85	4.90%
501 or more sprinkler heads	\$183.50	\$194.25	5.86%
Fire sprinkler systems flushing	\$52.00	\$54.60	5.00%
Sewer replacement or repair	\$15.75	\$16.55	5.08%
Side sewer installation or repair	\$40.50	\$42.55	5.06%
Minimum fee for all permits	\$15.75	\$16.55	5.08%
Section 331: Building Permit Application and Plan Review fees			
Back Check fee	\$54.25	\$72.45	33.55%
Commencement of work not started	\$130.50	\$137.05	5.02%
Electrical Plan Review	\$69.00	\$72.45	5.00%

## Summary of proposed fee increases

Attachment 7 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Expediter Fee	\$24.75	\$26.00	5.05%
Mechanical Plan Review	\$69.00	\$72.45	5.00%
Plan Review: New Construction, Alterations, Grading and Demolitions	65 percent of new construction permit schedule		
Plan Review under prior code	\$82.25	\$86.35	4.98%
Pre-application plan review	\$130.50	\$137.05	5.02%
Reduced plan review fee 25 percent of plan review fee, minimum	\$19.50	\$20.50	5.13%
Sign plan review, approved stdzd	\$8.00	\$8.40	5.00%
Other	50 percent of Sign Permit Schedule		
Site Permit surcharge			
less than \$350,000	\$130.50	\$137.05	5.02%
over \$350,000	\$779.25	\$818.20	5.00%

## Section 332: Public Notification and Record Keeping Fees

Structural Addition notice	\$15.75	\$16.55	5.08%
Affidavit Record maintenance	\$6.75	\$7.10	5.19%
Posting of notices (change of use)	\$23.25	\$24.40	4.95%
Requested notice of permit issuance	\$32.75	\$34.40	5.04%
30" by 30" sign	\$13.00	\$13.65	5.00%
Notice of demolition permit issuance			
One area	\$39.50	\$41.50	5.06%
Multiple areas	\$117.50	\$123.50	5.11%
Notification sign			
300 ft notification letters at filing	\$62.75	\$65.90	5.02%
Residential tenant notification	\$35.00	\$36.75	5.00%
300 ft notification letters at issuance	\$46.50	\$48.85	5.05%

## Section 332.1: Reproduction and Dissemination of public information

Certification of copies			
1-10 pages	\$6.75	\$7.10	5.19%
Each additional 10 pages or fraction thereof	\$1.50	\$1.60	6.67%

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Electrostatic Reproduction			
Each page photocopy	\$0.75	\$0.80	6.67%
Minimum charge	\$3.50	\$3.70	5.71%
35mm duplicards from roll film	\$1.50	\$1.60	6.67%
Microfilm Hard Copy prints			
8 1/2" x 11" copy from 16mm film	\$1.50	\$1.60	6.67%
24"x18" copy from 35mm film	\$2.50	\$2.65	6.00%
"half-sized" copy from 35mm film	\$3.00	\$3.15	5.00%
8.5" x 11" copy from 16mm	\$1.00	\$1.05	5.00%
Minimum Microfilm reprod. charge	\$3.50	\$3.70	5.71%
Replacement of approved plans/specs			
Each Sheet of plans	\$4.00	\$4.20	5.00%
Each 50 pages of specs or fraction	\$6.75	\$7.10	5.19%

## Section 332.2: Inspections, Surveys, and Reports

Off-hours Inspection	1.5 times Standard Inspection fee		
Pre-Application Inspection	Two times Standard Inspection fee		
Re-Inspection Fee	Standard Inspection Fee		
Report of Residential Records	\$26.00	\$27.30	5.00%
Standard Inspection Fee	\$65.25	\$68.50	4.98%
Survey of non-residential building	Two times the Standard Inspection Fee		
Maximum charge	\$2,596.00	\$2,725.80	5.00%
Survey of Residential Building			
Single Family Dwelling	\$390.25	\$409.75	5.00%
Two Family Dwelling	\$390.25	\$409.75	5.00%
Apartment houses: 3 units	\$454.00	\$476.70	5.00%
Apartment houses: 4-10 units****	\$454.00	\$476.70	5.00%
Apartment houses: 11-20 units****	\$854.00	\$896.70	5.00%
Apartment Houses: 21-40 units****	\$1,282.25	\$1,351.00	5.36%
Apartment houses: over 41 units****	\$1,853.50	\$1,951.00	5.26%
Hotels			
1-10 guest rooms	\$494.00	\$518.70	5.00%
11-20 guest rooms****	\$494.00	\$518.70	5.00%
21-40 guest rooms****	\$701.50	\$737.00	5.06%
Over 41 guest rooms****	\$986.75	\$1,043.00	5.70%

## Summary of proposed fee increases

Attachment 9 of 11

Section/ Fee type/ Fee level	Current	Proposed	% Chg
Temporary Certificate of Occupancy		Standard Inspection Fee	
**** Graduated scale.			
on 332.3: Penalties, Hearings, Code Enforcement Assessments			
Abatement Appeals Board filing fee	\$52.00	\$54.60	5.00%
Board of Examiners			
each variance or interp of code	\$90.50	\$95.05	5.03%
each appeal for approval of substitute materials or methods of construction	\$227.25	\$238.60	4.99%
Director's abatement orders, per hr	\$53.25	\$55.90	4.98%
Emergency Order	\$42.75	\$44.90	5.03%
Handicapped Access Appeals Board Filing Fee	\$143.75	\$150.95	5.01%
Lien Recordation Charges	\$120.75	\$126.80	5.01%
Work w/o permit: investigation fee; penalty			
Building, Electrical, Plumbing or Mechanical Code violations	Nine times the applicable fee plus the original permit fee		
on 332.4: Refunds			
Building Permit- amount paid less	\$84.50	\$88.70	4.97%
Demolition Permit- amount paid less	\$65.25	\$68.50	4.98%
Electrical Permit- amount paid less	\$65.25	\$68.50	4.98%
Grading Permit- amount paid less	\$65.25	\$68.50	4.98%
Plan Review- amount paid less	\$26.00	\$27.30	5.00%
Plumbing Permit- amount paid less	\$65.25	\$68.50	4.98%
on 332.5: Miscellaneous			
Building numbers, each entrance	\$15.75	\$16.55	5.08%
Disability access coordinator	\$9.75	\$0.00	-100.00%
Extension of time:			
Each permit application extension	\$31.25	\$32.80	4.96%
Each permit extension		Standard Inspection Fee	
Each inspection performed		Standard Inspection Fee	



## Summary of proposed fee increases

Attachment 10 of 11

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Product Approvals:			
initial or reinstatement	\$130.50	\$137.50	5.36%
modification or revision	\$45.50	\$47.80	5.05%
renewal (every 2 years)	\$65.25	\$68.50	4.98%
Section 333.1: Apartment House and Hotel License Fee Schedule			
Apartment Houses (annual basis):			
Less than 20 rooms	\$106.50	\$111.85	5.02%
20-29 rooms	\$135.25	\$142.00	4.99%
30-39 rooms	\$179.00	\$187.95	5.00%
40-49 rooms	\$236.50	\$248.35	5.01%
50-59 rooms	\$327.75	\$344.15	5.00%
60 rooms or over	\$385.25	\$404.50	5.00%
Change of ownership	\$32.50	\$34.15	5.08%
Hotels (annual basis):			
Less than 20 rooms	\$163.00	\$171.15	5.00%
20-29 rooms	\$192.00	\$201.60	5.00%
30-39 rooms	\$237.00	\$248.85	5.00%
40-49 rooms	\$292.00	\$306.60	5.00%
50-59 rooms	\$383.00	\$402.15	5.00%
60-69 rooms	\$442.00	\$464.10	5.00%
100-149 rooms	\$477.00	\$500.85	5.00%
150 rooms and over	\$536.25	\$563.05	5.00%
Change of ownership	\$32.50	\$34.15	5.08%
Section 333.2: Hotel Conversion Ordinance Fee Schedule			
Annual Unit usage report	\$52.00	\$54.60	5.00%
Challenge to claims of exemption:			
Usage report	\$17.00	\$17.85	5.00%
Claim of exemption based on low- Income housing:	\$205.25	\$215.50	4.99%
Claim of exemption based on partially completed conversion	\$410.50	\$431.05	5.01%
Complaint of Unlawful Conversion	\$17.00	\$17.85	5.00%
Determination by Real Estate Department and cost of independent appraisals	\$973.25	\$1,021.90	5.00%

<u>Section/ Fee type/ Fee level</u>	<u>Current</u>	<u>Proposed</u>	<u>% Chg</u>
Initial Unit Usage Report	\$205.25	\$215.50	4.99%
Permit to convert	\$345.00	\$362.25	5.00%
Request for hearing to exceed 25% tourist season rental limit			
Inspection Fee		Standard Inspection Fee	
Hearing Officer's statement of exemption	\$205.25	\$215.50	4.99%

**Section 333.3: Energy Conservation Fee Schedule**

Initial Inspections			
1 and 2 family dwellings	\$49.50	\$52.00	5.05%
Apart houses & Resid Hotels			
up to 20 rooms	\$55.50	\$58.30	5.05%
20-29 rooms	\$66.50	\$69.85	5.04%
30-39 rooms	\$79.75	\$83.75	5.02%
40-49 rooms	\$88.25	\$92.65	4.99%
50-59 rooms	\$99.00	\$103.95	5.00%
60 rooms and over	\$111.00	\$116.55	5.00%
Compliance Inspections:			
1 and 2 family dwellings	\$24.75	\$26.00	5.05%
Apart houses & Resid Hotels			
up to 20 rooms	\$27.25	\$28.60	4.95%
20-29 rooms	\$32.50	\$34.15	5.08%
30-39 rooms	\$39.50	\$41.50	5.06%
40-49 rooms	\$44.25	\$46.50	5.08%
50-59 rooms	\$49.50	\$52.00	5.05%
60 rooms and over	\$55.50	\$58.30	5.05%
Energy Reports and Certificates	\$9.50	\$10.00	5.26%
Filing Fee for appeals	\$41.00	\$43.05	5.00%
Certification of qualified energy Inspector	\$19.50	\$20.50	5.13%

Item 10 - File 161-92-1

**Department:** Redevelopment Agency (SFRA)

**Item:** Ordinance approving the issuance by the San Francisco Redevelopment Agency of Multifamily Housing Refunding Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$75 million for the purposes of its Residential Construction Financing Program for various multifamily housing developments.

**Amount:** Not to exceed \$75 million

**Description:** The Redevelopment Agency is requesting authorization to issue multifamily housing refunding mortgage revenue bonds, which the Agency would use to refinance six development projects that include affordable housing. For a list of these six projects, with the amount of the original bond issue, see attachment.

According to Mr. Bob Gamble of SFRA, new Federal legislation allows the Redevelopment Agency to refund bond issues. The purpose of the bond refunding would be to obtain a lower interest rate on the new bonds than the interest rate being paid on the existing bonds. Half of the savings gained by such refunding, according to the new Federal legislation, is to accrue to the United States Department of Housing and Urban Development (HUD) and half of the savings is to accrue to the Redevelopment Agency on the condition that the Redevelopment Agency uses the savings for affordable housing, Mr. Gamble advises. SFRA plans to use the savings from the refinancing for use on current SFRA projects. Mr. Gamble advises that five of the projects to be refunded if the proposed resolution is approved would be included under new Federal legislation.

The sixth project, Cathedral Hill Plaza West, is known as an 80-20 project, Mr. Gamble reports, where a private developer builds in cooperation with the Redevelopment Agency, providing 80 percent of the housing units at market rate and 20 percent as affordable housing. Mr. Gamble advises that the bonds sold to finance this project will expire December 1, 1992, so that the developer, Western Commercial Partnership #1, will be required to repay the bonds on or before that date. According to Mr. Gamble, the developer has asked that tax exempt bonds be issued to extend the original bonds.

**Comments:**

1. According to Mr. Gamble, Western Commercial Partnership #1, the developer for Cathedral Hill Plaza West, could extend the bonds expiring December 1, 1992 with a bank loan. However, a tax exempt bond issue would be less costly. Mr. Gamble advises that if the developer defaults on the bond repayment, HUD would assume control of the development. Since Federal agencies do not pay property taxes, the City would lose property taxes on Cathedral Hill Plaza West if the developer defaulted on the expiring bond issue and HUD took over the project. A tax-exempt bond issue is Federally subsidized, in that the Federal government forfeits revenue on tax-exempt bonds. The City and County of San Francisco would not be liable for any projects in case of a default, according to Mr. Gamble.
2. Mr. Gamble advises that the Cathedral Hill Plaza West bond issue was flexible, so that the interest rate fluctuated weekly according to the market. Therefore, Mr. Gamble advises that refunding the Cathedral Hill Plaza West bond issue would result in little savings to SFRA, if any.
3. According to Mr. Gamble, SFRA expects to receive an interest rate of between 7 and 7.2 percent on the new bonds issues. The original bonds were sold at the following interest rates: (1) Wharf Plaza II at 8.75 percent; (2) Northridge at 12 percent; (3) Serenity Towers at 11.9 percent; (4) Mariposa Apartments at 11.4 percent; and (5) Mercy Terrace at 11.4 percent.
4. The total amount of the original bonds issues for the six projects was \$72,416,000. Mr. Gamble advises that the proposed refunding would be in the amount of the original bonds, or \$72,416,000. The current bonds are scheduled to mature between May 1, 2005 and August 15, 2024. The proposed new bonds would mature at the same times, between May 1, 2005 and August 15, 2024.
5. Mr. Gamble reports that given an interest rate of from 7 to 7.2 percent, over the remaining life of the bonds, \$750,000 is for Serenity Towers, \$700,000 for Mariposa Apartments, and \$700,000 for Mercy Terrace, for a total of \$2,150,000 is anticipated to be saved from the proposed refinancing. Of this, SFRA would receive 50 percent, or \$1,075,000. According to the restrictions of the new Federal legislation, as noted above, this projected \$1,075,000 would be required to be expended for affordable housing.

6. Mr. Gamble advises that refunding Northridge may not result in any savings, because such a refunding could not occur until 1997, when the current bonds could be called. During the period before the bonds are called, funds would be deposited in an escrow account in an amount sufficient to generate revenue to pay the debt service on the current bonds. Because such an escrow account would pay relatively low interest, and since funds would remain in the escrow account until 1997 when the current bonds could be called, refunding Northridge bonds might not result in savings. The amount of the Northridge bond issue is \$20,760,000.

Mr. Gamble advises that refunding Wharf Plaza II bonds might also fail to result in savings. According to Mr. Gamble, Wharf Plaza II bonds are taxable. The interest rate on the current bonds at Wharf Plaza II, as noted above, is 8.75 percent. According to Mr. Gamble, 8.75 percent for taxable bonds is at or below the current market. If the market rate is not below the interest rate on bonds, savings do not accrue by refunding. The amount of the Wharf Plaza II bond issue is \$7,526,000. According to Mr. Gamble, SFRA would determine whether savings would accrue through refunding the Wharf Plaza II and Northridge bonds before it carried out the project.

7. Mr. Gamble cautions that because many factors determine the successful implementation of a bond issue, there is a possibility that the bonds might not be refunded, or that savings would not accrue because of the refunding. For example, Mr. Gamble advises that although the private developers are currently in favor of the proposed refunding, the developers might change their minds. In addition, the market might change. However, Mr. Gamble reports that the proposed bond refunding is anticipated to be implemented without problems and to result in the savings noted above.

8. According to Mr. Gamble, all of the projects except Cathedral Hill Plaza West are Section 8 projects sponsored by HUD. When the bonds were issued, HUD included a requirement that SFRA attempt to refund the bonds if such a refunding would result in savings. Thus, SFRA is legally bound to refund these bonds, Mr. Gamble advises.

**Recommendation:** Approve the proposed ordinance.

## Attachment A

Project	Number of Units	Location	Owner	Bond Amount (000's)
Wharf Plaza II	114	Kearny and Francisco	Wharf Plaza II Partnership	\$7,526
Northridge	300	1 Ardath Court	All Hallows Community Development Corporation	\$20,760
Serenity Towers	73	308 Eddy Street	Herald Hotel Associates	\$5,155
Mariposa Apartments	63	2445 Mariposa Street	Mission Housing Development Corporation	\$4,610
Mercy Terrace	158	333 Baker Street	Mercy Services Corporation	\$9,915
Cathedral Hill Plaza West (Webster Tower and Terrace)	157	1489 Webster Street	Western Commercial Partnership	\$24,450



Item 11 - File 100-91-7

**Note:** This item was continued by the Finance Committee at its meeting of April 29, 1992.

The item is a hearing to consider the status of the City's economic vitality and business climate.

According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. <u>Employment (1988)</u>	Increases (Decreases) from <u>1988-1993*</u>	Projected Percentage of S. F. <u>Employment (1993)</u>
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	<u>2.7</u>	-4.5	<u>2.5</u>
Total Employment	100.0%	3.4	100.0%

\* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco employment of these changes on each sector relative to its size.

Table 1 on the following page reflects the number of jobs to be gained or lost between 1988-93, based on the EDD projections, which were issued in June 1991. The second table below shows the relative contribution of each sector of the economy on the total expected change in San Francisco employment.

The tables can be interpreted as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

PROJECTED NUMBERS OF JOBS IN SAN FRANCISCO, TABLE 1 1988-93

	1988	1993	CHANGE
	INDUSTRIES	Sectors INDUSTRIES Sectors	
TOTAL EMPLOYMENT	560,600	579,500	18,900
MINING/CONSTRUCTION		15,400 14,700	(700)
MANUFACTURING	41,400	38,600	(2,600)
Non-durable	32,900	31,600	(1,300)
Food		5,700 4,900	(800)
Apparel		12,800 12,900	100
Printing/Publish		10,300 10,500	200
Other		4,100 3,300	(800)
Durable	3,500	7,200	(1,300)
Metals		1,800 1,300	(500)
Transp. Equip.		1,800 1,100	(700)
Other		4,900 4,800	(100)
TRANSPORTATION/UTILITIES	39,900	39,000	(900)
Transportation		20,600 21,600	1,000
Communication/Utilities		19,300 17,400	(1,900)
WHOLESALE TRADE		31,600 30,500	(1,100)
RETAIL TRADE	77,800	81,400	3,600
Department stores		8,100 8,000	(100)
Food stores		8,600 9,600	1,000
Apparel stores		7,800 8,100	300
Restaurants & bars		32,400 33,200	800
Other		20,900 22,500	1,600
FINANCE/INSURANCE/ /REAL ESTATE	77,700	75,600	(2,100)
Finance		47,400 46,000	(1,400)
Insurance/Real Estate		30,300 29,600	(700)
SERVICES	186,600	207,800	21,200
Hotel services		17,000 19,600	2,600
Business services		47,000 55,200	8,200
Health services		25,000 25,700	700
Legal services		19,200 23,500	4,300
Social services		20,400 21,700	1,300
Engineer, Architect, Mgmt		28,200 30,200	2,000
Other		29,800 31,900	2,100
GOVERNMENT	90,200	91,700	1,500
Federal		29,500 27,000	(2,500)
State and Local		60,700 64,700	4,000
		560,600 579,500	

Table 2

PERCENT OF TOTAL PROJECTED CHANGE IN EMPLOYMENT  
1988 - 1993, ATTRIBUTED TO INDUSTRIAL SECTORS

	Percent change Within industry	Percent share of total change
TOTAL EMPLOYMENT	3.37	100.00
MINING/CONSTRUCTION	(4.55)	(3.70) (3.70)
MANUFACTURING	(6.28)	(15.76)
Nondurable	(3.95)	
Food	(14.04)	(4.23)
Apparel	0.78	0.53
Printing/Publish	1.94	1.06
Other	(19.51)	(4.23)
Durable	(15.29)	
Metals	(27.78)	(2.65)
Transp. Equip.	(38.89)	(3.70)
Other	(2.04)	(0.53)
TRANSPORTATION/UTILITIES	(2.26)	(4.76)
Transportation	4.85	5.29
Communication/Utilities	(9.84)	(10.65)
WHOLESALE TRADE	(3.48)	(5.82) (5.82)
RETAIL TRADE	4.63	19.05
Department stores	(1.23)	(0.53)
Food stores	11.63	5.29
Apparel stores	3.85	1.59
Restaurants & bars	2.47	4.23
Other	7.66	8.47
FINANCE/INSURANCE/ /REAL ESTATE	(2.70)	(11.11)
Finance	(2.95)	(7.41)
Insurance/Real Estate	(2.31)	(3.70)
SERVICES	11.36	112.17
Hotel services	15.29	13.76
Business services	17.45	43.39
Health services	2.80	3.70
Legal services	22.40	22.73
Social services	6.37	6.36
Engineer, Architect, Mgmt	7.09	10.58
Other	7.05	11.11
GOVERNMENT	1.66	7.94
Federal	(8.47)	(13.23)
State and Local	6.59	21.16

The net change in the level of employment in San Francisco, based on EDD estimates, is a net gain of 18,900 (579,500 less 560,600) jobs between 1988 and 1993 (see Table 1). Table 2 shows the percentage share of this net change by industry. Of the total net gain of 18,900 jobs, approximately 19 percent of the change is attributable to the 3,600 new jobs expected to be added in the Retail Trade sector (3,600 is approximately 19 percent of 18,900).

Manufacturing Industry. The Manufacturing sector is projected to contribute negatively to the change in San Francisco employment, offsetting approximately 14 percent of the gain in other sectors. The negative 14 percent share of job growth attributable to manufacturing represents the projected loss of 2,600 jobs in this sector (18,900 net change in jobs x 14 percent equals 2,600).

Although there is anticipated to be a decline overall in the manufacturing sector, San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

Services Industry. The tables reflect dramatic growth in the Services sector. The projected change in employment in the Services sector of the economy exceeds the total number of jobs expected to be added; the Services sector contributes more than 112 percent of the job growth (18,900 net gain x 112 percent equals 21,200 new jobs in the Service Sector). In other words, job growth in this sector includes 18,900 new jobs, equal to the net gain, as well as an additional 2,300 new jobs which offset some of the losses in others sectors.

By representing employment changes within industries as a percentage of the net change in employment, Table 2 suggests the magnitude of each industry's projected effect on total job growth in the local economy.

Labor Supply and Growth Mr. Douglas Perron, the labor market analyst at EDD, who projected these changes in employment, states that job growth through 1993 is unlikely to be as strong as the statistics indicate, due to the recession which began in 1990. Therefore, the numbers should not be used as a reliable prediction of actual job growth. However, Mr. Perron indicates that the employment trends reflected by the statistics, such as the strong growth in the Service Sector and the decline in Manufacturing employment within the City, continue to reflect expected changes in San Francisco's job market.

A major factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor force had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national

average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

Mr. Perron states that San Francisco is characterized by a mature economy which lacks significant opportunities for sustained employment growth, in contrast to outlying communities in the Bay Area. Space limitations, transportation concerns, and high labor costs constrain some businesses from locating in San Francisco rather than in outlying areas, where these constraints are less severe. Although he indicates that opportunities for physical expansion, are limited, with the notable exceptions of Mission Bay and possibly Hunters Point, Mr. Perron states that it is not necessarily true that an economy which does not continually add jobs must therefore be stagnating or dying.

A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

Business Opportunities. Issues of particular relevance to the San Francisco economy, according to Mr. Perron, include the mix of businesses which are present in the City, the competitive advantages available in San Francisco to firms in specific industries, and the amenities which San Francisco can offer to attract and retain businesses which are best suited to San Francisco's specific economic conditions. Mr. Perron expects San Francisco to continue to be attractive to firms in the service, retail, and tourism industries, and as the site for corporate headquarters. He expects the City to continue to compare unfavorably as a site for the location of managerial, clerical, and information services located in "back office" facilities, since companies are expected to be unwilling to pay high office rents for employees having little contact with the public, especially in view of San Francisco's continuing problems of transportation and housing.

Mr. Perron comments that the local San Francisco economy is particularly well suited to the Tourism, Finance, Retail, and Services industries, and that these strengths are expected to continue for the foreseeable future.

Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioners or tour groups, and 34% tourists or others, and they pay approximately \$140 million in taxes annually to the City, as reported by the Chamber of Commerce.



Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

Retail Sales. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

International Trade. Mr. Perron attributes a significant part of the growth of the Services sector to a continuing expansion of commerce with Pacific Rim countries, which generates economic activity in import/export industries, in legal services such as patents and trademarks, in other areas concerned with international trade, and in the many enterprises which provide direct and indirect services to firms. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than \$2,500, but all businesses must pay a business registration fee of \$150. The registration fee is waived for firms grossing less than \$15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.



Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received \$126 million in payroll taxes and \$21 million in gross receipts taxes, for a total of \$147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% (\$1.23 per \$1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

Mr. Perron notes that prospective changes in the City's tax base and tax revenues resulting from business location decisions should be considered in light of the City's revenue needs and the size of its population. Differential tax rates for different industries result in certain firms contributing more than others to the City's tax revenues. According to Mr. Kent Sims of the Mayor's Office, the Mayor's Office is reviewing the City's current business registration fee, payroll and gross receipts taxes as well as parking taxes concerning the equity, ease of collection and administration and revenue needs of the City.

Mr. Perron also states that problems of job creation and retention are linked to issues of transportation and housing, which affect costs of doing business as well as the quality of life.

Air Quality Control. Stricter air quality regulations promulgated by the Bay Area Air Quality Management District will soon require large employers to design specific measures to improve employee mobility and reduce reliance on single occupancy vehicles. Mr. Perron states that such air quality and transportation standards will have a significant impact on business location decisions, especially for manufacturing firms. Whereas the ratio of jobs to total population is approximately 1:2 in average urban areas, according to Mr. Perron, the City's employment level of approximately 565,000 jobs and total population of approximately 730,000 gives a ratio of 1:1.3. Based on 1990 figures attributed to the Metropolitan Transportation Commission, Mr. Perron indicates that approximately 320,000 San Francisco residents work in the City, suggesting that as many as 245,000 workers may be commuting daily to work in San Francisco from other jurisdictions. Mr. Perron reports that the number of commuters into the City is more conservatively approximated between 150,000 and 200,000.

Mr. Bob Arnold, an economist with the Center for the Continuing Study of the California Economy in Palo Alto, analyzes business and economic conditions in San Francisco and the Bay Area. He states that the local San Francisco economy witnessed a transitional period in the 1980s, when high costs of doing business in the City, largely attributable to the costs of leasing commercial space,

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resulted in relocations away from the City, especially for firms in manufacturing and wholesale trade.

Commercial Costs and Vacancy Rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

Mr. Arnold believes that business costs have now equalized, and that the growth and expansion of service industries in the last decade have led to improved conditions which will enhance job growth and business retention in the 1990s. A major challenge for San Francisco in this economic climate, according to Mr. Arnold, is to provide the skilled workers needed to accommodate the growth of the service sector.

Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The \$28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was \$28,742.

Because of the constraints imposed by limited physical space and building restrictions, Mr. Perron states that the location of businesses in San Francisco involves a trade-off between commercial and residential uses of available space, and that this tradeoff raises issues of housing affordability and the economic stratification of San Francisco's population which are political in nature. He notes that high housing costs generate high property and transfer tax revenues for the City, but may lead to out-migration from the City by members of some income groups.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

Mr. Arnold comments that the City's economic health can be measured not only by statistics concerning job growth, but by changes in average real income, which has risen in San Francisco and the Bay Area. Higher real income, according to Mr. Arnold, reflects higher levels of productivity and the presence of an increasingly skilled work force, which is characteristic of a higher concentration of service industries. Mr. Arnold also cautions strongly against

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interpreting the effects of a national recession as indicative of structural problems in the local and regional economy, and therefore reiterates his opinion that San Francisco and the Bay Area demonstrate considerable economic strength.

Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

Mr. Michael McGill is the Director of the San Francisco Economic Forum, which he describes as a public/private partnership to address issues of regional economic vitality, whose Directors are appointed by the Association of Bay Area Governments and the Bay Area Council, and whose work is financed by corporations throughout the region.

Mr. McGill observes that during the 1970's an average of some 11,000 jobs annually relocated to San Francisco, as compared to fewer than 1,000 in a comparable period between 1980-87. Mr. McGill attributed this change in the rate of job creation to "massive" job relocations to areas outside the City by large corporations during the 1980s, including as many as 30,000 to 40,000 backoffice jobs. Many of these jobs were in the Finance, Insurance, and Real Estate industry, according to Mr. McGill.

Although losses of this magnitude in the relocation of San Francisco jobs to other jurisdictions have now abated, Mr. McGill expects that similar relocations would occur if the City's office vacancy rate in San Francisco falls below 9 percent, from its current level of approximately 12 percent. Because of the imposition of commercial growth restrictions under Proposition M, Mr. McGill expects that the office vacancy rate will fall below this level in the late 1990s.



Moreover, because new office space takes as many as 7 years to construct, Mr. McGill expects a serious situation to result as the vacancy rate declines, jobs are relocated to other areas, and new commercial space remains unavailable for an extended time.

The relocation of back office jobs has also contributed to the attrition of middle class workers in the City, according to Mr. McGill. He states that this has led to increased stratification between highly skilled workers in service industry occupations, including professional occupations, and low-skilled or unskilled workers in the growing sectors of retail trade, restaurants, and tourism.

The Mission Bay project will provide some additional facilities for back office operations, but for the most part Mr. McGill expects San Francisco to remain uncompetitive with respect to these jobs. He attributes this to planning regulations which require that new commercial projects include a range of public amenities, such as housing and transportation fees, day care, and open space, and that such new commercial projects succeed in design competitions with other proposed projects. Backoffice space is not well-suited to such requirements, according to Mr. McGill.

Housing Construction. Mr. McGill also cites the inadequate size of the City's housing stock and a limited supply of affordable housing as a cause of the City's loss of jobs to outlying communities.

CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services. Mr. McGill recommends that the City amend zoning regulations to permit more extensive housing development in areas such as South of Market.

Mr. McGill comments that the challenge to San Francisco of job creation and business retention is "the challenge of growth generally," which is to target and recruit specific industries best suited for the economic climate in San Francisco and to initiate efforts to keep them in San Francisco. He cites as an example the substantial contributions to the San Francisco economy of the University of California at San Francisco (UCSF), and the need for a public role in assisting UCSF to locate the facilities needed to operate its research facilities and to add up to 1 million additional square feet of space in the near future.

Committee on JOBS. The Committee on JOBS is a group of San Francisco business leaders working to enhance the long-term economic vitality of the City, to ensure that the City remains an attractive and competitive place to live and work. On February 19, 1992, Mr. Sam Ginn, the Chairman of the Committee on JOBS and the Chairman and CEO of Pacific Telesis Group presented the Committee on

JOBS report to the Finance Committee. This report addresses the need for a partnership between local government and business and community organizations and outlines governmental goals for 1992. These goals include cost effective service delivery, taxation, transportation, permit process, City image and business climate, economic development and the urban environment. Mr. Sims reports that the Mayor's Office is currently reviewing and working with the Committee on JOBS.

Small Business Advisory Commission. The Small Business Advisory Commission, comprised of 11 members has recently reviewed and held hearings regarding changes to the Commission. On March 25, 1992 the Small Business Advisory Commission recommended to amend the San Francisco Administrative Code, Article XIII, to eliminate the Small Business Advisory Commission and instead to establish an overall Business Advisory Commission. Such changes would require approval of the Board of Supervisors and the Small Business Advisory Commission is urging the Mayor to seek adoption of such legislation by the Board of Supervisors. The proposed new Commission would incorporate both large and small, downtown and neighborhood business interests and would increase the number of commissioners from 11 to 15 members. Such an expanded commission could be used to reconcile various business and economic views and provide recommendations to the Mayor and the Board of Supervisors.

Economic Development Plans. Mr. Sims reports that the Mayor's Office is currently developing a Citywide economic development plan and strategy, including identifying the role of the City and specific departments (e.g., the Port and Airport), regulatory and legal requirements, infrastructure needs, targeted industries, housing and transportation needs and many of the issues outlined above. Work on this plan and strategy, which have recently begun are expected to be completed in approximately one year. According to Mr. Sims, it is anticipated that this Citywide plan and strategy can provide a general framework or guidelines for future public policy decisions regarding economic development in the City.

In addition, work has begun on individual neighborhood sector economic development plans, which will attempt to coordinate various City department programs (e.g., Redevelopment Agency, Community Development Block Grant Program, Enterprise Zone, etc.) in addressing economic strategies for these neighborhoods. The first plan, which is nearing completion, will focus on the Bayview and Hunters Point neighborhood. Economic development plans for the Tenderloin and the Mission are anticipated to be conducted next.

Employment Impacts. The Budget Analyst has analyzed the employment impacts on the San Francisco Bay Area of an additional \$1 billion of grant or bond funds to the City. The following two charts reflect the number of direct jobs and the total number of direct and indirect jobs that could be expected to result:

<u>Direct Employment</u>	<u>Number of Direct Jobs Per \$1 Billion</u>	<u>Number of Direct and Indirect Jobs Per \$1 Billion</u>
Construction - Non-residential	9,367	11,709
Construction - Highways and Public Utilities	10,633	12,653
Maintenance and Repair	6,800	8,500
Total	26,800	32,862

As reflected above, assuming that a total of an additional \$1 billion of grant or bond funds were equally distributed among the above three construction and maintenance sectors of the economy, it is estimated that 26,800 additional direct jobs would be created. Overall, a total of 32,862 direct and indirect jobs would be created if an additional \$1 billion of grant or bond funds were approved by the City.

These estimates are based on the Association of Bay Area Governments (ABAG) Input-Output Model which reflects the impact on the San Francisco Bay Area, which includes the surrounding counties. The impact on San Francisco would be less, although the precise impact on San Francisco cannot be determined. It is also assumed that the jobs created within each of these industries are new jobs and not relocations from other jobs and that all purchases by businesses would come from enterprises within the Bay Area.

General Obligation Bonds. The attached information, prepared by the Office of the Chief Administrative Officer, pertains to the amount of General Obligation bond measures that have been approved by the San Francisco voters, the amount of bonds issued by the City to date, the remaining amount not yet issued and the amount of the four proposed bond measures for the June, 1992 ballot. As reflected in the attachment, since 1986, the voters of San Francisco have approved \$753.3 million of General Obligation bonds. To date, a total of \$390,597,849 of these \$753.3 million of approved bonds have not yet been issued. In addition, another \$148,220,000 for four General Obligation bonds are on the June 2, 1992 ballot. If all four of these bond measures are approved in June, 1992, it would result in a total of \$538.8 million of outstanding bonds to be issued.

Based on \$538.8 million of outstanding bonds, using the same ABAG Input-Output Model as above, the Budget Analyst projects this would result in an additional 14,440 direct jobs and an overall total of 17,706 direct and indirect jobs for the San Francisco Bay Area.



## Internal Obligation Bond Elections

Date	Purpose	Amount Authorized	Amount Issued	Less FEMA Funds	Amount Remaining Unissued
4-Nov-86	Fire Protection System Improvements	46,200,000	46,200,000		
3-Nov-87	Police Department Facilities	28,000,000	21,900,000		6,100,000
3-Nov-87	Street and Safety Improvements	27,000,000	27,000,000		
3-Nov-87	SF General Hospital Mental Health Facility	26,000,000	26,000,000		
3-Nov-87	Recreation and Park Facilities	18,000,000	18,000,000		
7-Jun-88	Public School Facilities	90,000,000	90,000,000		
8-Nov-88	Library Facilities	109,500,000	25,000,000		84,500,000
7-Nov-89	Public Safety Improvements (ESP I)	59,700,000	27,000,000		32,700,000
5-Jun-90	Public Safety Improvements (ESP II)	332,400,000	49,500,000	15,602,151	267,297,849
6-Nov-90	Correctional Facilities	16,500,000	16,500,000		

Total To Date

753,300,000

347,100,000

15,602,151

390,597,849

2-Jun-92	Civic Center Garage Expansion	24,000,000			24,000,000
2-Jun-92	Civic Center Heating System	21,220,000			21,220,000
2-Jun-92	Civic Center Plaza Improvements	26,700,000			26,700,000
2-Jun-92	Golden Gate Park Improvements	76,300,000			76,300,000

Proposed Bonds

148,220,000

148,220,000

901,520,000

347,100,000

15,602,151

538,817,849



Item 12 - File 128-92-1

**Note:** This item was transferred from the Special City Services Committee meeting on April 28, 1992, because it was determined to have fiscal impact.

1. The proposed ordinance would amend Part II, Chapter 5 (Health Code) of the San Francisco Municipal Code by repealing Article 21 and adding new Article 21 to (a) conform hazardous materials regulations to Federal and State laws regulating underground storage tanks and the handling of hazardous materials by business establishments, (b) impose additional stricter local requirements in accordance with California Health and Safety Code Sections 25299.2 and 25500, and (c) incorporate by reference Article 11.9 of Chapter 6.5, Chapter 6.7, Chapter 6.75, and Chapter 6.95 of Division 20 of California Health and Safety Code, Section 1910.1200 of Title 29, Appendix A of Part 355 of Title 40, Section 370.2 of Title 40, and Section 72.3 of Title 42 of the Code of Federal Regulations; and Section 12000 of Title 22 of the Code of California Regulations.

2. According to Ms. Sue Cone of the Department of Public Health (DPH), existing City regulations require the DPH to issue a permit to any business that stores hazardous materials. In order to be permitted, a business must submit an application, including an inventory of all hazardous materials stored by the business, and be inspected by the DPH's Hazardous Materials Division. Yearly follow-up inspections are also required. Within the Hazardous Materials Division, inventories of hazardous materials must be classified and entered into a database. Ms. Cone advises that classification of hazardous materials is complicated because four to five pages of technical data must be reviewed and evaluated for each inventoried material in order to determine its hazard classification.

3. Ms. Cone advises that an estimated 10,000 San Francisco businesses store hazardous materials. Because the permitting process is difficult and time consuming, and because the DPH Hazardous Materials Division does not have sufficient resources to carry out the permit process for these 10,000 businesses, only 500 businesses are permitted. Ms. Cone reports that several hundred unprocessed applications have been submitted. Those businesses whose applications are pending, and those that have never submitted applications, Ms. Cone advises, are storing hazardous materials without any oversight.

4. The proposed ordinance would reorganize the hazardous materials oversight process so that all businesses storing hazardous materials would be required to register rather than be permitted. The proposed biennial registration process would be simpler than the current permit process. To register, a business would pay a fee, complete a registration form listing the type of hazardous chemicals it stores, and develop a facility emergency response and training plan. Businesses would be required to demarcate any acutely hazardous materials which they store, as established in the State Health and Safety Code. Those businesses that do not store acutely hazardous materials would be inspected every three years rather than yearly. The more rigorous permit process would be restricted to those estimated 200 to 500 businesses storing acutely hazardous materials. According to Mr. Tsutsui, the proposed registration process would require fewer Hazardous Materials Division resources per business, and

therefore allow the Division to process more businesses, because (1) inspections for businesses that do not store hazardous materials could be done every three years rather than every year; and (2) hazard classification of business inventories would be required for considerably fewer businesses.

5. Ms. Cone reports that neither State nor Federal law requires that businesses storing hazardous materials be permitted and inspected yearly. Rather, State law requires that, at a minimum, such businesses submit specific information and be inspected every three years, Ms. Cone advises. These requirements are similar to the proposed registration process, so that the proposed registration process would be in conformance with Federal and State laws.

6. The proposed ordinance would continue to incorporate an ordinance approved by the Board of Supervisors in May of 1991 (File Number 118-91-2), which requires that some substances be disclosed which are not required to be disclosed under State or Federal law, and that hazardous materials reduction plans be developed.

7. An estimated 10,000 businesses store hazardous materials and would therefore need to register. The Hazardous Materials Division would anticipate registering 1,500 new businesses each year for the first six years of the program, and 1,000 new businesses the seventh year. Beginning the third year, businesses that are already registered would renew their registration every two years. Thus, after seven years, the 10,000 businesses storing hazardous materials would all be registered. The anticipated registration pattern from 1992-93 through 1998-99, or seven years, is as follows:

<u>Fiscal Year</u>	<u>New Registrations</u>	<u>Reregistrations</u>	<u>First Registered</u>	<u>Yearly Total</u>	<u>Cumulative Total of New Registrations</u>
1992-93	1,500	0	not applicable	1,500	1,500
1993-94	1,500	0	not applicable	1,500	3,000
1994-95	1,500	1,500	1991-92	3,000	4,500
1995-96	1,500	1,500	1992-93	3,000	6,000
1996-97	1,500	3,000	1992-93; 1994-95	4,500	7,500
1997-98	1,500	3,000	1993-94; 1995-96	4,500	9,000
1998-99	1,000	4,500	1992-93; 1994-95; 1996-97	5,500	10,000

8. The processing fee for registration would be \$340 biennially, plus a biennial "quantity fee" of \$34 to \$1,530, depending on the volume of hazardous materials a business stores, Mr. Tsutsui advises. The Division anticipates that most businesses would pay biennial quantity fees between \$34 and \$510. Thus, most businesses would pay from \$374 to \$850 every two years. Mr. Tsutsui advises that the fee schedule was determined based on the number of staff hours and other resources required for the registration process. A comparison with 19 California counties, including nine Bay Area counties, indicates that the proposed fees are among the lowest fees charged by most of the 19 counties. Mr. Tsutsui reports that despite the lower fees, the DPH's Hazardous Materials Division would provide services that many of the 19 California counties do not provide, such as site inspections and consultations regarding compliance with various other laws and regulations.

9. Underground tanks store hazardous materials, particularly petrol, in buried metal or fiberglass tanks. Such tanks can corrode over time and leak hazardous materials into the groundwater. However, State and Federal law does not require that oversight of underground tanks be included as part of hazardous material disclosure requirements. The proposed ordinance would incorporate underground tanks as part of the registration process. Rather than paying a fee based on the quantity of materials stored, as other businesses would, a biennial registration fee of \$170 per site would be charged for underground tanks in addition to the \$340 processing fee. In addition, underground tanks would be required to obtain an operating permit each year, at a cost of \$85 per tank. If a business removed or modified its underground storage tank, it would require a modification permit, at a cost of \$363.

The original title of the proposed ordinance read "... regulating underground storage tanks and the handling of hazardous materials by business establishments." Ms. Cone reports that underground storage tanks are a subset of hazardous materials. Therefore, the title of the proposed ordinance was amended by the City Services Committee at its April 28, 1992 Special City Services Committee meeting to read "... regulating the handling of hazardous materials, including underground storage tanks, by business establishments."

10. The Hazardous Materials Division currently anticipates that revenues generated by the proposed program would entirely support the Hazardous Materials Division, and may generate revenues beyond current costs in future years. If revenues exceeded costs, Division staff would decide whether fees should be reduced or services increased, Mr. Tsutsui advises. The Hazardous Materials Division anticipates revenue from businesses equaling \$1.2 million from the proposed registration program for Fiscal Year 1992-93, as follows:



<u>Activity</u>	<u>Average Amount</u>	<u>Anticipated Number</u>	<u>Total</u>
Registration Processing Fee*	\$340	1,500	\$510,000
Registration Quantity Fee*	306	1,225	374,850
Registration Fee for Underground Tanks*	170	275	46,750
Underground Tank Operating Permit	85 (per tank)	1,200	102,000
Underground Tank Modification Permit	363	156	56,628
Inspections	85 (per hour)	400	34,000
Permits	550	100	55,000
Permit Renewals	600	50	<u>30,000</u>
TOTAL ESTIMATED REVENUE			\$1,209,228

\*Per business biennial fees. However, at least 1,500 businesses are anticipated to register each year, so that total revenues are anticipated to be at least \$1,209,228 annually.

In addition, the Hazardous Materials Division may generate revenues from consulting fees with private environmental firms, through penalty assessments for non-compliance, through work orders from other City departments, and through income from UCSF if UCSF requests a dedicated Hazardous Materials Division staff member to oversee the registration and permitting of its facilities.

The \$1.2 million anticipated revenues would cover all of the operating expenses for the Hazardous Materials Division for 1992-93. The current budget for the Hazardous Materials Division is approximately \$1.104 million. The proposed program would generate approximately the same revenues in Fiscal Year 1993-94. During the third year of the program, when the total number of businesses registering exceeds the 1,500 anticipated for 1992-93 and 1993-94, revenues generated by the program could exceed the operating expenses of the Hazardous Materials Division. As noted above, if program revenues exceed the costs for operating the Hazardous Materials Division, Mr. Tsutsui advises that either registration fees would be reduced or services would be increased.

11. Mr. Tsutsui advises that the proposed registration program would be evaluated by the Hazardous Materials Division on a quarterly basis. The evaluation would review the registration program's progress based on work plans and revenue projections. Specifically, the Division would review the number of permits issued, the number of completed registrations, and the revenue from enforcement, permitting, and registration. According to Ms. Cone, the Division is currently computerizing its permit process using the City-wide standard Oracle database management program. The proposed registration program would use the same computer system, Ms. Cone advises. Ms. Cone further advises that the Hazardous Materials Division anticipates that the quarterly evaluation would be fairly simple with the use of the Oracle database. If revenues at the time of these quarterly evaluations do not meet projections, the Hazardous Materials Division staff, in conjunction with the Director of the Bureau of Toxics, contingent upon approval by DPH administration, would either increase recruitment of businesses that need to register, or divert resources, for example, from inspections, into more significant revenue generating activities as necessary.



12. In summary, the reasons that the Hazardous Materials Division is proposing to replace the existing process where every business storing hazardous materials would need to be permitted, with a program where every business storing hazardous materials would need to register and only those storing acutely hazardous materials would need to be permitted, are as follows: (1) the Hazardous Materials Division lacks sufficient staff resources to inspect and classify hazardous materials to issue permits to the estimated 10,000 businesses in San Francisco storing hazardous materials; (2) the proposed registration program would provide equity in the levels of business compliance, and the volume of information would enable the Hazardous Materials Division to enhance current ranking systems and effectively prioritize inspection and permitting operations based on relative risk; (3) registration would be more consistent with State and Federal law, since it would provide some oversight for all businesses storing hazardous materials, rather than close oversight for 500 such businesses and little or no oversight for the remaining businesses; (4) the proposed registration program would bring in sufficient revenues to cover the entire budget for the Hazardous Materials Division on an on-going basis. In addition, the proposed registration program would allow the Hazardous Materials Division to support public disclosure and emergency response, because it would provide inventories and classifications of all hazardous materials stored by businesses in San Francisco. The proposed registration program would be monitored quarterly, based on work plans and revenue projections, to evaluate its progress.

13. On April 28, 1992, the City Services Committee recommended approval of the proposed ordinance. As noted above, this ordinance was transferred to the Finance Committee as it was determined to have a fiscal impact on the City.

#### Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 13 - File 212-92-1

**Note:** This item was continued at the Finance Committee meeting of April 22, 1992.

This proposed item is a hearing to consider the financial expenditures for the removal and relocation of the Pioneer Monument for the new Main Library.

In order to accommodate the construction of the new Main Library, the Pioneer Monument, located at the corner of Grove Street and Hyde Street, will be relocated. The relocation site, as approved by the Arts Commission, is Fulton Street, between Larkin Street and Hyde Street.

According to Mr. Russ Abel of the DPW's Bureau of Architecture, the estimated costs for relocation are approximately \$750,000. Mr. Abel reports that these relocation costs would not be financed through bond funds, but rather through donations from the Library Foundation of San Francisco. However, no formal arrangement regarding the financing of the relocation costs has yet been made with the Library Foundation of San Francisco. Mr. Abel indicates that the construction management firm for the new Main Library, O'Brien Krietzberg, had initially estimated the relocation costs at approximately \$175,000. However, Mr. Abel explains that this cost estimate was a preliminary estimate which did not account for several associated relocation costs, such as landscaping and support structures at the new site.

Mr. Abel reports that the relocation of the Pioneer Monument was included as part of the Environmental Impact Report (EIR) which has been available for public evaluation, and three sets of public hearings have been held by the Arts Commission. This EIR was certified by the Planning Commission on February 27, 1992, the findings were approved by the Arts Commission on April 6, 1992 and by the Library Commission on April 17, 1992. The Board of Supervisors have not yet approved the findings of the EIR. As noted in the EIR, the Pioneer Monument is not a contributing element to the landmark district (Civic Center). Therefore, its relocation would not have a significant negative impact on the environment.

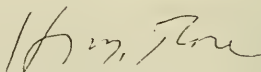
Another alternative included in the EIR was retaining the Monument in its existing location. This alternative was estimated at \$4 million, versus \$750,000 for the relocation costs. Mr. Abel also reports that this \$4 million estimate includes additional architect fees to redesign the new Main Library, and also increased project costs due to delays resulting from redesigning the new Main Library to accommodate the Pioneer Monument in its existing location. According to Mr. Kenneth Dowlin of the Public Library, these redesign costs would be incurred because the Public Library in its existing design would have to be expanded around the statue in order to accommodate the same amount of square feet.

Mr. Dowlin explains that when preliminary designs and cost estimates were completed for the new Main Library in conjunction with the bond issuance in 1988, the proposed Public Library had originally included a basement, and retaining the Pioneer Monument in its existing location. However, Mr. Dowlin reports that the estimated cost of the Public Library, including a basement and

Memo to Finance Committee  
May 6, 1992

retained the Public Library in its existing location was approximately \$120 million, and the Public Library was requested by the Board of Supervisors to reduce the cost of the new Main Library. Therefore, the estimated cost was later reduced to approximately \$104.5 million for the new Main Library in its current design.

The groundbreaking for the new Main Library occurred on April 23, 1992. According to Mr. Dowlin of the Public Library, the relocation of the Pioneer Library would be completed as part of the construction phase of the new Main Library, which is scheduled to begin in approximately December, 1992.

  
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Adelle Foley  
Barbara Kolesar  
Ted Lakey

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BOARD of SUPERVISORS



City Hall  
San Francisco 94102  
554-5184

MAY 7, 1992

DEPOSITORY ITEM

MAY 11 1992

PUBLIC LIBRARY

Calendar  
NOTICE OF CANCELLED MEETING

FINANCE COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Finance Committee for Wednesday, May 13, 1992, at 2:00 p.m., has been cancelled. ///

The next regular meeting of the Finance Committee will be held on Wednesday, May 20, 1992, at 2:00 p.m., in Room 228, City Hall.

A handwritten signature in cursive script that reads "John L. Taylor".  
JOHN L. TAYLOR  
Clerk of the Board

POSTED: MAY 7, 1992



FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
ROOM 235, CITY HALL  
SAN FRANCISCO, CA 94102

IMPORTANT  
HEARING NOTICE

SF Public Library (2)  
Document Section

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CALENDAR -- Actions Taken

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, MAY 20, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

ABSENT: SUPERVISOR GONZALEZ - ITEMS 3, 5-8, 10-13

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 25-92-14. [Contracting Out City Services] Resolution concurring with the Controller's approval that security guard services can be practically performed at 450 McAllister Street by private contractor for lower cost than similar work services performed by City and County employees, commencing July 1, 1992. (Department of Public Works)
- b. File 132-92-5. [Grant - Foundation Funds] Resolution authorizing the San Francisco Arts Commission to permit Intersection for the Arts to continue to act as non-profit fiscal agent for the San Francisco Arts Commission Gallery and to continue sponsorship of the gallery's "Exploration: City Site Program"; and in that capacity to apply for, retroactively accept and expend a \$7,500 LEF Foundation Grant for City Site Programming: indirect costs of 10 percent fiscal agent fee in the amount of \$750.00 to be paid from the Arts Commission's Public Art Fund. (Arts Commission)
- c. File 146-92-4.1. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, Tuberculosis Control Division, to accept and expend a grant of \$508,860, which includes indirect costs in the amount of \$47,827 based on twenty percent of salaries, from the Department of Health and Human Services for the Tuberculosis Control Project. (Department of Public Health)
- d. File 146-92-19.1. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, STD Control Division, to accept and expend a grant of \$140,591, which includes indirect costs in the amount of \$12,781, based on ten percent of the total award from the Centers for Disease Control for development of a computer-based quality assurance system. (Department of Public Health)

- e. File 146-92-30. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Homeless Programs, to accept and expend as sub-grantee an augmentation to a grant of \$299,433 from the San Francisco Community Clinic Consortium of federal public health services funds for primary health care and substance abuse services including a required match of 33 percent of the total project or \$149,717; waiving indirect costs, and providing for ratification of action previously taken. (Department of Public Health)
- f. File 146-92-31. [Grant – State Funds] Resolution authorizing the Department of Public Health, Central Administration, MIA Program, to apply for, accept and expend the Fiscal Year 1991-92 allocation of up to \$2,500,000, which includes indirect costs of 20 percent of personnel costs, from the State Department of Health Services for Legalized Indigent Medical Assistance (LIMA) funds under the Immigration Reform and Control Act (IRCA). (Mayor)
- g. File 146-92-10.1. [Grant – State Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, to accept and expend a grant of \$1,053,333, from the State Office of Health Services for breast and cervical cancer screening and diagnostic services; waiving indirect costs. (Department of Public Health)
- h. File 146-92-32. [Grant – State Funds] Resolution authorizing the Department of Public Health, Laguna Honda Hospital, to apply for, accept and expend a grant of \$35,600, from the State of California, Department of Transportation (CALTRANS) for handicapped transportation services to the residents of San Francisco; waiving indirect costs. (Department of Public Health)
- i. File 147-92-3. [Grant – Federal Funds] Resolution authorizing the San Francisco Public Library to apply for funds not to exceed \$85,000 available through the U.S. Department of Education from the Library Services and Construction Act (LSCA) for the purchase of foreign language materials for the Fiscal Year 1992-93; waiving indirect costs. (Public Library)
- j. File 192-92-2. [Grant – State Funds] Resolution authorizing the Executive Director of the Department of Parking and Traffic and the Director of Public Works to apply for, accept and expend \$450,000 of Transportation Development Act (TDA) Article 3 Funds for bicycle/pedestrian projects foregoing reimbursement of indirect costs. (Department of Parking and Traffic)
- k. File 101-91-56.1. [Release of Funds] Requesting release of reserved funds, Juvenile Probation Department, in the amount of \$333,392, to cover local share costs not eligible for State funds, for various capital improvement projects; companion measure to Files 101-91-56 and 141-92-1. (Juvenile Probation Department)
- l. File 94-91-4.3. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount of \$65,000, for Municipal Railway Contract No. MR-1039-R, Curtis E. Green Light Rail Facility, Geneva Site, Maintenance Building, Paint Booth Fans Modification. (Public Utilities Commission)
- m. File 101-91-12.1. [Release of Funds] Requesting release of reserved funds, Department of Public Works, in the amount of \$250,000, for environmental consultant services (EIP Associates, contractor), for the Bayside Treatment Evaluation Project. (Department of Public Works)

- n. File 146-91-10.3. [Release of Funds] Requesting release of reserved funds, Department of Public Health, Community Public Health Services/Family Health Bureau, in the amount of \$64,000, for renewal contractual services with Caheed Day Care Center, to provide educational and support services to pregnant and postpartum African-American women and infants, for period of July 1, 1992 through June 30, 1993. (Department of Public Health)

ACTION: Items b, c, d, f, i, j, k and l removed from Consent Calendar. Remainder of Consent Calendar recommended.

Item a, File 25-92-14. Recommended.

Item b, File 132-92-5. Tabled.

Item c, File 146-92-4.1. Amended on lines 4 and 12, following "expend", by adding "retroactively". Recommended as amended. New title: "Authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, Tuberculosis Control Division, to accept and expend, retroactively, a grant of \$508,860, which includes indirect costs in the amount of \$47,827 based on twenty percent of salaries, from the Department of Health and Human Services for the Tuberculosis Control Project."

Item d, File 146-92-19.1. Amended on lines 6 and 12, by replacing "total award" with "project's total direct costs". Recommended as amended. New title: "Authorizing the Department of Public Health, Community Public Health Services, STD Control Division, to accept and expend a grant of \$140,591, which includes indirect costs in the amount of \$12,781, based on ten percent of the project's total direct costs, from the Centers for Disease Control for development of a computer-based quality assurance system."

Item e, File 146-92-30. Recommended.

Item f, File 146-92-31. Amended on lines 3 and 19, following "expend", by adding "retroactively". Recommended as amended. New title: "Authorizing the Department of Public Health, Central Administration, MIA Program, to apply for, accept and expend, retroactively, the Fiscal Year 1991-92 allocation of up to \$2,500,000, which includes indirect costs of 20 percent of personnel costs, from the State Department of Health Services for Legalized Indigent Medical Assistance (LIMA) funds under the Immigration Reform and Control Act (IRCA)."

Item g, File 146-92-10.1. Recommended.

Item h, File 146-92-32. Recommended.

Item i, File 147-92-3. Amended on page 1, line 2, following "apply", by adding "retroactively". Further amended on page 1, line 23, by replacing "will apply" with "is authorized to apply, retroactively". Recommended as amended. New title: "Authorizing the San Francisco Public Library to apply, retroactively, for funds not to exceed \$85,000 available through the U.S. Department of Education from the Library Services and Construction Act (LSCA) for the purchase of foreign language materials for the Fiscal Year 1992-93; waiving indirect costs."

Item j, File 192-92-2. Hearing held. Continued to May 27, 1992, meeting.

Item k, File 101-91-56.1. Motion prepared in and reported out of Committee entitled: "Releasing reserve in the amount of \$333,392, for Juvenile Probation Department, to cover local share costs not eligible for state funds, for various capital improvement projects." Recommended. (A letter will be sent requesting that Juvenile Probation Department and DPW submit reports which include a detailed budget, and the MBE, WBE status of any contractors used for capital improvement projects at Youth Guidance Center.)

Item l, File 94-91-4.3. Continued to May 27, 1992, meeting.

Item m, File 101-91-12.1. Release of \$250,000 recommended. Filed.

Item n, File 146-91-103. Release of \$64,000 recommended. Filed.

### REGULAR CALENDAR

2. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)  
(Cont'd from 5/6/92)

ACTION: Hearing held. Continued to May 27, 1992, meeting.

3. File 172-92-9. [Permit Agreement to Use City Property] Ordinance authorizing the Cirque Du Soleil ("Circus") to use City-owned property (southerly of King Street, between Fourth and Fifth Streets [Lot 3, Block 3796]); and to adopt findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

ACTION: Recommended.

4. File 128-92-1. [Hazardous Materials] Ordinance amending Health Code by repealing Article 21 and adding new Article 21 to conform hazardous materials regulations to Federal and State laws regulating the handling of hazardous materials, including underground storage tanks, by business establishments, impose additional stricter local requirements in accordance with California Health and Safety Code Sections 25299.2 and 25500, and incorporate by reference Article 11.9 of Chapter 6.5, Chapter 6.7, Chapter 6.75, and Chapter 6.95 of Division 20 of California Health and Safety Code; Section 1910.1200 of Title 29, Appendix A of Part 355 of Title 40, Section 370.2 of Title 40 and Section 72.3 of Title 42 of the Code of Federal Regulations; and Section 12000 of Title 22 of the Code of California Regulations. (Supervisor Alioto)

(Transferred from City Services Committee 4/28/92 - Fiscal Impact)  
(Cont'd from 5/6/92)

ACTION: Amended on page 21, line 3, by adding "(c) The Director of Health shall report back to the Board of Supervisors by August 1, 1995, regarding the status and effectiveness of the program implemented according to this Article." Recommended as amended.



5. File 166-92-2. [Charges for Tax Sale List] Resolution authorizing the Tax Collector to charge a twenty dollar (\$20.00) fee to defray the cost of mailing copies of the list containing all tax defaulted real estate parcels which is included in the impending sale of tax defaulted real estate. (Tax Collector)

ACTION: Hearing Tabled.

File 97-92-32. Ordinance prepared in and reported out of Committee entitled: "Amending Administrative Code by adding Section 8.34, authorizing the Tax Collector to charge a fee of twenty dollars (\$20.00) to defray the cost of mailing copies of the list containing all tax defaulted real estate parcels which are included in an impending sale of tax defaulted real estate." Recommended.

6. File 166-92-3. [Tax Sale] Resolution authorizing Tax Collector to sell at public auction certain parcels of tax-defaulted real property. (Tax Collector)

ACTION: Recommended.

7. File 97-92-28. [Employee Benefits] Ordinance amending Sections 16.904, 16.905, and 16.93 of the San Francisco Administrative Code, voluntary employee benefits, cafeteria plan benefits, and organizations for which deductions can be made to reflect changes made in implementing an employer-paid dental program. (Supervisor Gonzalez)

ACTION: Recommended.

8. File 97-92-29. [Employee Health Coverage] Ordinance amending Section 16.157 of the San Francisco Administrative Code, approving Health Service System Plans and Rates of Contribution as adopted by the Health Service Board. (Supervisor Gonzalez)

ACTION: Hearing held. Continued to May 27, 1992, meeting.

9. File 171-92-2. Hearing to consider San Francisco's contribution to the Fiscal Year 1992-93 Peninsula Commute Service Operating Budget. (Supervisor Hsieh)

ACTION: Hearing held. Motion prepared in and reported out of Committee entitled: "Requesting the Mayor to renegotiate an amendment to the Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District pertaining to future planning, oversight, and operation of the Peninsula Commute Service, to adjust San Francisco's responsibility for its portion of administrative costs of the Joint Powers Board to reflect more accurately the proportion of the ridership that originates in San Francisco." Recommended to Board for consideration on June 22, 1992.



10. File 142-92-1. [Water Rates – Finding] Resolution making a finding that no tax subsidy will be required by the San Francisco Water Department by reason of approval of a proposed schedule of rates to be charged by the San Francisco Water Department for water supplied to its suburban resale customers; companion measure to File 142-91-1.1. (Public Utilities Commission)

ACTION: Recommended.

11. File 142-92-1.1. [Water Rates] Resolution disapproving revised schedule of rates to be charged by the San Francisco Water Department for water service and water supplied to its suburban resale customers; companion measure to File 142-92-1. (Public Utilities Commission)

ACTION: To Board with recommendation "do not pass".

12. File 142-92-2. [Water Rates – Finding] Resolution making a finding that no tax subsidy will be required by the San Francisco Water Department by reason of approval of a proposed schedule of rates to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas; companion measure to File 142-92-2.1. (Public Utilities Commission)

ACTION: Recommended.

13. File 142-92-2.1. [Water Rates] Resolution disapproving revised schedule of rates to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas; companion measure to File 142-92-1. (Public Utilities Commission)

ACTION: To Board with recommendation "do not pass".

#### SPECIAL ORDER – 4:00 P.M.

14. File 100-91-7. Hearing to consider the status of the City's economic vitality and business climate. (Supervisors Gonzalez, Migden, Shelley)  
(Cont'd from 5/6/92)

ACTION: Hearing held. Filed.

CITY AND COUNTY



Public Library, Documents Dept.  
ATTN: Gerry Roth  
OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

May 18, 1992

TO: Finance Committee

FROM: Budget Analyst *Recommendations*

SUBJECT: May 20, 1992 Finance Committee Meeting  
////

Item 1a - File 25-92-14

Department: Department of Public Works (DPW),  
Bureau of Building Inspection (BBI)

Item: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that security guard services can be practically performed at 450 McAllister Street by a private contractor for a lower cost than similar services performed by the City and County of San Francisco, commencing July 1, 1992.

Services to be Performed: Security guard services at 450 McAllister Street

Description: The Controller has determined that contracting for these security guard services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$18,691	\$22,081
Employee Benefits	<u>5,815</u>	<u>6,518</u>
Total	\$24,506	\$28,599

<u>Contracted Service Cost</u>	<u>12,725</u>	<u>12,725</u>
<u>Estimated Savings</u>	\$11,781	\$15,874

**Comments:**

1. Ms. Paulette Hooley of the BBI advises that security guard services were first certified as required by Charter Section 8.300-1 in 1989 and have been continuously provided by an outside contractor since then.
2. The current contract, which is a one year extension of the prior year's contract and expires December 31, 1992, is with Cal-State Patrol Services, a City-certified Minority Business Enterprise (MBE). It has been the practice of Cal-State Patrol Services to base its contracts on a calendar year, necessitating that BBI request an extension so as to be consistent with the City's fiscal year calendar. The Contracted Service Cost used for the purpose of this analysis is based on Cal-State Patrol Services' estimated cost of providing services for fiscal year 1992-93.
3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

Charter 8.300-1 (Proposition J) Questionnaire

Department DPW-Building Inspection

Contract Services For Building Security Services

Time Period July 1, 1992 through June 30, 1993

1) Who performed services prior to contracting out?

Cal State Patrol Service, Inc.

2) Number of City employees laid off as a result of contracting out?

None

3) Explain disposition of employees if they were laid off.

Not Applicable

4) What percent of City employee's time is spent on services to be contracted out? 4 hours per day. (5:00 P.M. to 9:00 P.M. Monday through Friday except holidays for City offices are closed.)

One Tuesday each month and 1st and 3rd Wednesdays which time are extended to 11:00 P.M.

5) How long have services been contracted out?


Fiscal year 1991-1992

6) What was the first fiscal year for a Proposition J Certification?

Fiscal Year 1989-1990

7) How will contract services meet the goals of your MBE/WBE Action Plan?

Current contractor is qualified MBE, with certification No. 21-103-00201 by the Human Rights Commission. This could be a part of the BBI - MBE/WBE Affirmative Action Plan.

  
Department Representative

Paulette M. Hoocy, Manager of Administrative

(Type Name, Title)

(415) 558-6239

Telephone

cxlquespj





Item 1b - File 132-92-5

**Department:** Arts Commission

**Item:** Resolution authorizing the San Francisco Arts Commission to permit Intersection for the Arts to continue to act as non-profit fiscal agent for the San Francisco Arts Commission Gallery and to continue sponsorship of the Gallery's Exploration, City Site Program; and in that capacity to apply for, retroactively, accept and expend a continuation private grant for City site programming; including indirect costs of 10% or \$750, for a fiscal agent fee to be paid to Intersection for the Arts from the Arts Commission's Public Arts Fund.

**Grant Amount:** \$7,500

**Grant Period:** July 1, 1992 through June 30, 1993

**Source of Funds:** LEF Foundation (Lydia Ebert Foundation)

**Project:** Exploration: City Site

**Description:** The proposed grant funds would be used for a "City Site" project which would enable local artists to present large-scale site-generated artistic installations in an undeveloped, highly visible lot, adjacent to the Arts Commission Gallery, located at 155 Grove Street. The Arts Commission Gallery is a municipal exhibition space under the auspices of the San Francisco Arts Commission. The Intersection for the Arts serves as the non-profit fiscal sponsor for the Arts Commission Gallery, which is used to support the programs and activities of the Arts Commission Gallery through private donations and Gallery sales. Therefore, the Intersection for the Arts would administer the proposed grant award on behalf of the Arts Commission Gallery.

Three outside judges have been selected by the Arts Commission, to review letters of intent from applicants, and these judges have selected four proposals for further development. It is anticipated that out of the four proposals selected for further development, a total of three projects would receive funding.

<b>Budget:</b>	<u>Artists' Honoraria</u>	
	Provided for three projects (or \$2,250 each)	\$6,750
	<u>Indirect Costs</u>	<u>750</u>
	Total	\$7,500

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Required Match:** None.

**Indirect Costs:** \$750 or ten percent of the total grant award of \$7,500. The LEF Foundation does not reimburse for indirect costs. Therefore, a ten percent fiscal agent fee would be paid to Intersection for the Arts, paid from the Public Arts Fund.

**Comments:**

1. The deadline to apply for the proposed grant award was March 1, 1992. Therefore, the proposed resolution would authorize the Arts Commission to apply for the proposed grant retroactively.
2. According to Ms. Anne Meissner, Director of the Arts Commission Gallery, the LEF Foundation has indicated that the Arts Commission Gallery would not receive any grant funding for the "Exploration: City Site" project. Ms. Meissner indicates that the Arts Commission is currently identifying other grant sources for the project, but in the event that no other grant sources are identified, the project would be funded through the Public Arts Fund. The Public Arts Fund was established to receive revenues from programs and events which are under the supervision and control of the Arts Commission, such as revenues from the POPS Summer Concert Series. The Arts Commission reports that the current unallocated balance of the Public Arts Fund is approximately \$45,000. According to Ms. Maya Rath of the Arts Commission, it is anticipated that additional revenues would be received into the Public Arts Fund from the 1992 POPS Summer Concert Series. As outlined in Section 10.117-1 of the Administrative Code, the Arts Commission is required to report annually to the Board of Supervisors a summary showing the total revenue and a description of expenditures made from the Public Arts Fund.
3. Since the Arts Commission will not be receiving the proposed grant funds from the LEF Foundation, the proposed resolution should be filed.
4. The Arts Commission has completed a Disability Access Checklist which is in the file.
5. Attached is the "Summary of Grant Request," as completed by the Arts Commission.

**Recommendation:** File the proposed resolution.

File Number \_\_\_\_\_

Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Arts Commission Gallery

Contact Person: Anne Meissner, Director Telephone: 554-9682

Project Title: "Exploration: City Site"

Grant Source: LEF Foundation

Proposed (New / Continuation) Grant Project Summary:

Established in 1986, City Site provides rare opportunities for Bay Area artists to present large-scale site-generated installations in an undeveloped, highly visible lot adjacent to the Gallery, located in Civic Center in the heart of the City's Performing Arts Complex. City Site's 1992 competition will be like those of the past with one exception. The Arts Commission wishes to expand the competitive base for applicants in 1992. Project budgets will be allowed to exceed the \$6,000.00 award provided by City Site. This provision will allow applicants to apply other outside grant monies or in-kind contributions to their project; it will increase funding required for interdisciplinary collaborative works; and it will challenge applicants to formulate ideas for the site without budget constrictions. As in the past, three outside jurors will review letters of intent from applicants; selecting up to five proposals for further development. It is hoped that three projects will merit awards.

Amount of Grant Funding Applied for: \$7,500.00

Maximum Funding Amount Available: \$7,500.00

Required Matching Funds: None

Number of Positions Created and Funded: None

Amount to be Spent on Contractual Services: \$7,500.00

Will Contractual Services be put out to Bid? yes -- call for entries to artists/limited competition

Grant Application Information Form  
Page 2

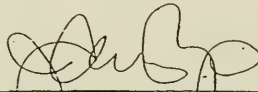
Term of Grant: July 1, 1992 through June 30, 1993

Date Department Notified of Available funds: April 1, 1992

Application Due Date: March 1, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Letter of intent sufficient for application (see attached).



Department Head Approval  
Joanne Chow Winship, Director of Cultural Affairs

Item 1c - File 146-92-4.1

**Department:** Department of Public Health (DPH),  
Bureau of Epidemiology and Disease Control,  
Communicable Disease Control,  
Tuberculosis Control Division

**Item:** Resolution authorizing the Department of Public Health (DPH), Bureau of Epidemiology and Disease Control, Communicable Disease Control, Tuberculosis Control Division, to accept and expend a grant of \$508,860, which includes indirect costs in the amount of \$47,827, based on 20 percent of salaries, from the Department of Health and Human Services for the Tuberculosis Control Project.

**Grant Amount:** \$508,860

**Grant Period:** April 1, 1992 through January 31, 1993

**Source of Funds:** U. S. Department of Health & Human Services,  
Centers for Disease Control (CDC)

**Projects:** Tuberculosis (TB) Prevention and Control/Elimination Project and HIV-Related TB Prevention Project

**Description:** The Board of Supervisors previously approved a resolution (File 146-92-4) which authorized the Department of Public Health to apply retroactively for a continuation Federal grant of \$1,262,902, including indirect costs of \$126,286 based on 20 percent of salaries, for these two TB Prevention and Control Projects.

In the interim, the CDC has notified the DPH that it is awarding the DPH a total grant amount of \$508,860 for the continuation of its two projects. In addition to the proposed grant, the DPH has requested a supplemental grant of \$533,869 from the CDC to fund the items in the budgets of these two projects which were deferred by CDC. The CDC has awarded the DPH a supplemental grant of \$188,558, and the DPH is the process of requesting authorization from the Board of Supervisors to apply for, accept and expend this supplemental grant.



Diagnostic treatment, surveillance, screening, case finding, registry and medical consultation activities have been supported by these two projects for the past 10 years. Both projects serve all communities in San Francisco. Mr. Tony Paz, the Tuberculosis Control Division Program Manager at the DPH, advises that it is the intention of the CDC to continue supporting the DPH's present operations which it has funded in the past, with the only new activities being the addition of screening at jails for the TB Prevention and Control/Elimination Project. At this time, the DPH will be unable to expand its outreach activities in high-risk sectors of the City because the CDC has not earmarked any funds for the City to do so.

The two proposed programs seek to meet the following objectives:

(1) The assurance of adequate treatment of active TB cases by daily observed therapy; (2) the identification and treatment of infection in substance abuse clinics where HIV infection increases risk; and (3) assistance in the reduction and ultimate elimination of tuberculosis through intensified outreach.

**Budget:**

**A. TB Prevention and Control/Elimination Project**

Personnel Positions

1 Class 2320 Registered Nurse	Deferred	
1 Class 2920 Medical Social Worker	Deferred	
1 Class 2822 Health Educator	Deferred	
1 Class 2808 Sr. Disease Control Investigator		\$37,483
3 Class 2806 Disease Control Investigators	Deferred	
2 Class 2586 Health Workers	Deferred	
3 Class 2585 Health Workers		71,045
1 Class 1446 Secretary II	Deferred	
1 Class 1424 Clerk Typist		25,198
1 Class 2808 Sr. Disease Control Investigator		<u>37,500*</u>
(* Salary and Fringe Benefits)		
Total Salaries		\$171,226

Other Personnel Items

Bilingual Pay	\$2,230	
Premium Pay	<u>875</u>	
		3,105

<u>Fringe Benefits</u> (27% of Personnel)	36,106
(excluding the \$37,500 salary/fringe benefits for one Class 2808 Sr. Disease Control Investigator)	

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



<u>Travel</u>	
Meetings, Seminars and Training	\$5,000
Local and Out-of-City Mileage	2,600
Bus Tokens for Patients	<u>3,200</u>
	10,800
<u>Supplies</u>	
	Deferred
Office Supplies	\$3,600
Food and Incentives for Patients	5,700
Medical and Pharmaceutical	7,000
Laboratory (Bactec and Gene Probe)	28,000
Comprehensive Health Ed. Materials	<u>42,500</u>
	86,800
<u>Equipment</u>	
	Deferred
Vehicle (2) w/sales tax	\$26,792 -
Telephones	3,320
Photocopier	3,336
Facsimile	924
Personal Computer (2)	13,000
Lap-Top PC	4,500
Computer/Software RFLP Molecular Data	38,000
Audio/Visual Equipment	<u>2,600</u>
	92,472
<u>Contractual</u>	
	Deferred
Real Property Rental	\$12,058
American Lung Assoc. of S.F.	<u>102,465</u>
(subcontract)	114,523
<u>Operating Expenses</u>	
	Deferred
Vehicle Maintenance	\$2,500
Advertising	<u>2,500</u>
	5,000
<hr/>	
TOTAL DIRECT COSTS	\$221,237
Indirect Charges (20% of Personnel)	<u>27,366</u>
(excluding \$37,500 fringe/benefits allocated for 1 Class 2808 Sr. Disease Control Investigator)	
TOTAL (TB Prevention and Control/Elimination)	<u>\$248,603</u>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**B. HIV Related TB Prevention Project**

**Personnel Positions**

1 Class 2808 S. Disease Control Investigator	\$37,483	
1 Class 2587 Health Worker III	24,137	
1 Class 2587 Health Worker III	Deferred	
.5 Class 1446 Secretary II	15,242	
1 Class 1424 Clerk Typist	<u>25,198</u>	
Total Salaries		\$102,060

**Other Personnel Items**

Premium Pay		\$245
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<u>Fringe Benefits</u> (27% of Salaries)		27,556
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**Travel**

Meetings, Seminars and Training	-	
Local and out-of-City Mileage		
Bus Tokens for Patients & Passes		5,833

**Client Incentives**

Food		500
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**Materials and Supplies**

Office Supplies	\$2,312	
Medical Supplies	2,311	
Pharmaceuticals (INH and B6)	<u>2,311</u>	
		6,934

Equipment		Deferred
Phones (2)	\$ 750	
Answering Machine	<u>400</u>	
	1,150	

**Contractual**

4 Project Site Half-Time Nurses (\$24,167 x 4)		<u>96,668</u>
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TOTAL DIRECT COST		\$239,796
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Indirect Charges (20% of Salaries)		<u>20,461</u>
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TOTAL (HIV Related TB Prevention Project)		<u>\$260,257</u>
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**Required Match:** None

**Indirect Costs:** \$47,827, based on 20% of salaries from the two projects (excluding the \$37,500 allocated for the salary and fringe benefits of 1 Class 2808 Sr. Disease Control Investigator).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. Mr. Paz of the DPH reports that the CDC has earmarked the line items which it has chosen to fund while deferring funding for other line items (those marked "Deferred" in the two budgets above). The deferred items are expected to be funded, at least in part, by the supplemental grant of \$188,558 from the CDC.

2. Mr. Paz indicates that the \$37,500 allocated for the salary and fringe benefits of one Class 2808 Senior Disease Control Investigator (DCI) was excluded from his calculations for indirect costs (20 percent times the salary total of \$171,226 less \$37,500 plus bilingual and premium pay of \$3,105, or \$27,366) and for fringe benefits (27 percent times the salary total of \$171,226 less \$37,500, or \$36,106) in the budget for the TB Prevention and Control/Elimination Project. The rationale for this was that in the original proposal, the DPH had requested a Public Health Advisor from the CDC on a contractual basis for \$54,000. Since the CDC only funded \$37,500 for this contractual position, the DPH and the CDC agreed to allow the DPH to allocate the \$37,500 toward paying both the salary and fringe benefits of one Class 2808 Senior DCI. Attachment I is a copy of the letter from the DPH to the CDC, confirming the personnel modification, per the approval of Mr. Greg Andrews, DPH's CDC consultant.

3. Attachment II is the Summary of Grant Request, as prepared by the DPH.

4. A Disability Access Checklist, as prepared by the DPH, is included in the file.

5. As noted above, the grant period began April 1, 1992. Therefore, the proposed resolution needs to be amended to provide for retroactivity.

**Recommendation:** Amend the proposed resolution to retroactively authorize the DPH to accept and expend a grant of \$508,860. Approve the proposed resolution, as amended.

City and County of San Francisco

Dept. of Public Health  
TB Control Division

March 20, 1992

Mr. Edwin L. Dixon  
Grants Management Officer  
Procurement and Grants Office  
Centers for Disease Control, Mail stop E14  
225 E. Paces Ferry Road, Room 300  
Atlanta, GA 30305

Attention: Eddie Wilder

Dear Mr. Wilder,

As per our phone conversation on negotiations on our grant application, federal ID # U52/CCU 900454-10, I am enclosing confirmation of amounts allocated to our TB Control Program. Attached is a revised Application For Federal Assistance Form 424 and a revised 424A.

Please note that the item under TB Prevention and Control, Direct Assistance of a Public Health Advisor (PHA) was modified to a Class 2808, Senior Disease Control Investigator. These changes were made after consultation and approval by Greg Andrews, our CDC consultant.

Please see attachments of revised Budget Summaries for the grant period April 1, 1992 thru 1-31-93 for a total of 10 months. The letter you requested regards local agreements on 20% charges for indirect costs will be forwarded to your office in the next few days along with these originals.

Thank you for all your assistance and considerations. If you have any questions, please call our offices at (415) 206-8524 and ask for me or our Program Manager, Tony Paz.

Sincerely yours,

*Gisela Schechter, M.D.*

Gisela Schechter, M.D., MPH.

Director

TB Control, San Francisco

cc Greg Andrew  
Harry Stern  
Tony Paz  
Carlos Balladares  
Dr. Fran Taylor  
File

## Health Commission - Summary of Grant Request

Rev. 5/10/96

Grantor: CENTER FOR DISEASE CONTROL  
 Division: COMMUNITY PUBLIC HEALTH SERVICES  
 Contact Person: VICTORIA WESTBERG/GRANTS  
 Section: TB/TB CONTROL  
 Address: 255 E. PACES FERRY RD. N.E. RM300  
 Contact Person: FRANCES TAYLOR, M. D.  
 MAIL STOP E14, ATLANTA, GA 30305  
 Telephone: 404-8524 (ELSELA SCHACTER, MD)  
 Amount Requested: \$ 508,860  
 Application Deadline: 2/14/92  
 Term: From 4/1/92 To 1/31/93  
 Evaluation Expected: 3/18/92  
 Health Commission: Board of Supervisors Finance Committee  
 Full Board

I. Item Description (accept & expend)  
 Request to (apply for) ~~(accept and expend)~~ a (new) (continuation) (renewal) (reimbursement)  
 grant in the amount of \$ 508,860 from the period of 4/1/92 to 1/31/93  
 to provide assistance in the reduction and control of tuberculosis ~~xxxxxx~~.

II. Summary (Concise summary of activities, number & group name, service, and personnel)

Diagnostic treatment, surveillance, screening, case finding, registry and medical  
 consultation have been supported by this project, for 10 years. The project serves  
 all communities in San Francisco.

III. Outcomes/Objectives:

1. To assure adequate treatment of cases by daily observed therapy. 2. To identify and  
 treat infection in Substance Abuse Clinics where HIV infection increases risk. 3. Assist  
 in the reduction and ultimate elimination of tuberculosis by instituting intensified outreach.

IV. Effects of Reduction or Termination of These Funds:

Current activities, daily observed therapy and screening, and preventive therapy for infec-  
 tion in substance abuse sites would have to be discontinued. Proposed activities, intensi-  
 fied outreach and screening, information and education activities, and improved patient care  
 would not be realized.

V. Financial Information:

	Col. A	12 months Col. B	10 months Col. C	Col. D	Regr. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount	432,390	498,444	508,860	+10,416		
Personnel	269,173	323,143	340,299	+17,156		
Equipment	6,417	-	0	0		
Contract Svc.	93,173	104,000	96,668	- 7,332		
Mat. & Supp.	6,350	7,799	6,233	- 866		
Facilities/Space	--	--	--	--		
Other/Travel/Op	15,004	12,685	17,133	+ 4,448		
Indirect Costs Exp.	42,373	49,997	47,827	- 2,170		

VI. Data Processing

	0	0	0
Non-Substantiated			

VII. Personnel

	8.0	8.0	9	1
FTE CSC				
FTE CMC	0.5	0.5	0.5	0
Contractual	2.0	2.0	2.0	0

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

None are provided.

Will grant funded employees be retained after this grant terminates? If so, how?

Yes, by placement in ad valorem positions.

VIII. Unfunded/Unfilled Open Bid

Contractual funds will be work ordered to CSAS which will then contract  
 via sole source request for service delivery.





Item 1d - File 146-92-19.1

**Department:** Department of Public Health (DPH),  
Community Public Health Services, Sexually Transmitted  
Disease (STD) Control Division

**Item:** Resolution authorizing the Department of Public Health (DPH), Community Public Health Services, STD Control Division, to accept and expend a grant of \$140,591, which includes indirect costs in the amount of \$12,781, based on 10 percent of the total award, from the Centers for Disease Control for development of a computer-based quality assurance system.

**Grant Amount:** \$140,591

**Grant Period:** June 1, 1992 to May 31, 1993

**Source of Funds:** Centers for Disease Control (CDC)

**Project:** Development of a Computer-Based Quality Assurance System  
for STD Clinic Medical Records

**Description:** The Board of Supervisors previously approved a resolution (File 146-92-19) which authorized the Department of Public Health to apply for a grant of \$250,000, including indirect costs of \$25,000 based on 10 percent of the total award for development of a computer-based quality assurance system.

In the interim, the CDC has notified the DPH that it is awarding the DPH a total grant amount of \$140,591 for development of this system. This one year grant is only available to existing STD Prevention and Training Centers (one of which is San Francisco's program) and will allow the STD Control Division to fully automate its STD database in a scannable format and evaluate the quality of medical care provided to STD Clinic clients in accordance with the new CDC 1991 Clinical Practice Guidelines.

Since the DPH already has a mainframe computer system, the funds would be used to purchase additional computer hardware and contract for software development to increase the number of users able to access the system as well as develop a fully automated STD database. These modifications and enhancements will also allow for the development of a computerized quality assurance system which will ensure that the care given to STD Clinic patients through the Prevention and Training Center is of the highest quality and in accordance with CDC Guidelines.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

If the CDC finds the computer software acceptable, it may be modified for use on personal computers at other STD Prevention and Training Centers in the U. S. Changes in the software and hardware would not increase the maintenance costs for the Community Public Health Services' computer system.

**Budget:**

Travel to Atlanta or Other STD Prevention and Treatment Centers for One DPH/MIS Liaison to CDC

Project staff travel for purpose of  
collaborating on computerized STD  
medical records  
\$125/day actual expenses (based on the State average)  
\$600 round trip airfare  
\$50 miscellaneous expenses  
Estimated cost of three 4-day trips: \$3,450  
( $\$125 \times 4 = \$500 + \$600 + \$50 = \$1,150 \times 3 \text{ trips} = \$3,450$ )

Equipment

One pair of 16-line multiplexors	\$6,700	
Cabling	10,000	
28 VT-320 Terminals @ \$400	11,200	
128 Mb memory for VAX 6410	<u>70,000</u>	
Total Equipment		97,900

Contractual Services

Site licensing (purchase of rights to use computer system) & staff training	16,000	
Conversion of existing database into new computer system	<u>9,000</u>	
		25,000

Other

Dedicated phone line for one year		
Estimated installation cost	500	
Annual phone charges (\$80 x 12 mos.)	<u>960</u>	
		<u>1,460</u>

TOTAL DIRECT COSTS		\$127,810
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Indirect Costs		<u>12,781</u>
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TOTAL PROJECT BUDGET		\$140,591
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**Required Match:** None

**Indirect Costs:** \$12,781, or 10 percent of the project's total direct costs (see Comment number 2).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. Ms. Wendy Wolf of the DPH reports that if these funds are not received, the result would be a delay in the development of a fully automated STD database. Consequently, clinicians would have less time to see clients due to the time involved in manually recording their findings and the STD Control Division's ability to perform quality assurance would be reduced, thus potentially compromising the quality of medical care given to STD Clinic clients.

2. The proposed resolution states that the indirect costs for this project total \$12,781, or 10 percent of the total award from the CDC. However, as reflected in the above budget, the indirect costs of \$12,781 are actually 10 percent of the total direct costs of the project. Therefore, the proposed resolution should be amended to reflect that the indirect costs are 10 percent of the total direct costs, not of the total grant award.

3. Attachment I is the Summary of Grant Request, as prepared by the DPH. According to Ms. Wolf, travel costs totaling \$3,450 were inadvertently excluded in the Summary of Grant Request, but are included in the budget.

4. The \$25,000 allocated for contractual services would be used to augment the existing personal services contract which the DPH has with Global Health Care Services, Inc. This contract is a sole source contract between Global and the DPH's Management Information System (MIS) Division for the period from July 1, 1992 to June 30, 1993. Under the proposed grant, the STD Division's computer system will join other DPH divisions in becoming part of the DPH's computer system, the Health Center Management System, by mid-1992. A competitive bidding process for these services was not used since the DPH's MIS Department had already completed the City's RFP process for the computerized system five years ago and now has an existing contract with Global Health Care Services, Inc. Mr. Phil Bentley of the DPH's MIS Division advises that Global Health Care Services, Inc. is neither a MBE nor a WBE.

Mr. Bentley further advises that the contract between Global and the DPH is part of a five year master plan which has already secured EIPSC approval.

The \$25,000 will pay for Global Health Care Services to modify the Global Health Information System to accept data that is

scanned off the STD Clinic's medical record, including the addition or modification of the database structure to match the Clinic's medical record. Mr. Bentley advises that Global Health Care Services usually charges between \$90 and \$100 per hour for its services, but that as a practice, Global has agreed to complete specific projects for a fixed amount of funds.

Ms. Wolf advises that the CDC grants policy statement allows for differences between the grant period (June 1, 1992 to May 31, 1993) and the duration of the contract between the DPH and Global (July 1, 1992 to June 30, 1993), provided that the time difference does not exceed one year in length.

5. The DPH has completed a Disability Access Checklist, which is in the file.

**Recommendation:** Amend the proposed resolution in both the body and title to reflect indirect costs of \$12,781, based on 10 percent of the project's total direct costs. Approve the proposed resolution, as amended.

Form No. \_\_\_\_\_ Health Commission - Summary of Grant Request Rev. 4/10/90 Attachment I

Grantor <u>Centers for Disease Control (CDC)</u>	Division <u>Community Public Health Services</u>
Contact Person <u>Linda Long</u>	Section <u>STD Control</u>
Address <u>255 East Paces Ferry Road</u>	Contact Person <u>Wendy Wolf</u>
<u>Atlanta, Georgia 30305</u>	Telephone <u>864-8100</u>
Amount Requested \$ <u>140,591</u>	Application Deadline <u>4/1/92</u>
Term: From <u>6/1/92</u> To <u>5/31/93</u>	Notification Expected <u>5/15/92</u>
Health Commission _____	Board of Supervisors: Finance Committee _____
	Full Board _____

I. Item Description: Request to ~~apply for~~ (accept and expend) a (new) ~~XXXXXX~~ grant in the amount of \$ 140,591 from the period of 6/1/92 to 5/31/93 to provide for a computer-based quality assurance system services.

II. Summary: (Concise summary, based on address, number + groups served, services and providers)  
 This one year grant is only available to existing Prevention and Training Centers and will allow us to fully automate our STD database in a scannable format and evaluate the quality of medical care provided to STD clinic clients in accordance with the new CDC 1991 Clinical Practice Guidelines.

III. Outcomes/Objectives:  
 -Create a scannable medical record format for use in the STD Clinic  
 -Develop a computer-based quality assurance system to evaluate STD Clinic medical care  
 -Improve the medical care given to STD Clinic clients

IV. Effects of Reduction or Termination of These Funds:  
 If funds are not received, the development of a fully automated STD database will be delayed, clinicians will see less clients due to the time involved in manually recording their findings and our ability to perform quality assurance will be reduced thus potentially compromising the medical care given to STD Clinic clients.

V. Financial Information:

	<u>Col. A.</u> <u>Two Years Ago</u>	<u>Col. B</u> <u>Past Year/Org.</u>	<u>Col. C</u> <u>Proposed</u>	<u>Col. D</u> <u>Change</u>	<u>Req. Match</u>	<u>Approved by</u>
Grant Amount	_____	_____	<u>140,591*</u>	_____	_____	_____
Personnel	_____	_____	<u>0</u>	_____	_____	_____
Equipment	_____	_____	<u>97,900</u>	_____	_____	_____
*Contract Svc.	_____	_____	<u>25,000</u>	_____	_____	_____
Mat. & Supp.	_____	_____	<u>0</u>	_____	_____	_____
Facilities/Space	_____	_____	<u>0</u>	_____	_____	_____
Other	_____	_____	<u>1,460</u>	_____	_____	_____
Indirect Costs	_____	_____	<u>12,781</u>	_____	_____	_____

VI. Data Processing  
 (see an enclosed above) \_\_\_\_\_ 122,900 \_\_\_\_\_

VII. Personnel

F/T CSC	_____	_____	<u>0</u>	_____
P/T CSC	_____	_____	<u>0</u>	_____
Contractual	_____	_____	<u>0</u>	_____

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
The grant funds no personnel positions

Will grant funded employees be retained after this grant terminates? If so, How?  
Not applicable since the grant funds no personnel positions

\*VIII. Contractual Services: Open Bid See Below Sole Source See Below (If sole source, attach Request for Exception Form)  
 Contractual services will be performed through the City's existing computer contract with Global Health Care Services, Inc. since the STD Division will be part of the Global Medical Record Computer System by mid 1992.  
 \* Travel costs of \$3,450 were omitted here.





Item 1e - File 146-92-30

**Department:** Department of Public Health (DPH),  
Homeless Programs

**Item:** Resolution authorizing the Department of Public Health (DPH), Homeless Programs, to accept and expend as sub-grantee an augmentation to a grant of \$299,433 from the San Francisco Community Clinic Consortium of federal public health services funds for primary health care and substance abuse services, including a required match of 33% or \$149,717 of the total project budget of \$449,150; waiving indirect costs, and providing for ratification of action previously taken.

**Grant Amount:** \$299,433

**Grant Period:** May 1, 1992 to October 31, 1992

**Source of Funds:** San Francisco Community Clinic Consortium

**Project:** Health Care and Substance Abuse Services for the Homeless

**Description:** The Board of Supervisors previously approved legislation authorizing the DPH to accept and expend, as subgrantee, a renewal grant of \$581,424 from the San Francisco Community Clinic Consortium and to authorize the expenditure of grant funds to finance Civil Service positions for the provision of these services (File 146-91-53). The grant period covered by this earlier legislation was May 1, 1991 through April 30, 1992.

The proposed augmentation of a grant of \$299,433 would fund the City's share of a collaborative effort between the DPH, which is the sub-grantee, and the San Francisco Community Clinic Consortium (SFCCC), the prime grantee. DPH is the sub-grantee because SFCCC had a prior arrangement for similar services with the Federal government. Since 1988, the program has provided comprehensive primary health care, social services and substance abuse services to homeless persons in San Francisco through a network of eight community-based health clinics, including the City-operated Tom Waddell Clinic.

<b>Budget:</b>	<u>Personnel</u>	<u>FTEs</u>	
	2328 Nurse Practitioner	3.5	\$100,659
	2922 Sr. Med. Social Worker	1.0	25,307
	2920 Med. Social Worker	2.0	<u>37,867</u>
	Subtotal		\$163,833
	Fringe Benefits @ 29%		<u>47,512</u>
	Total Personnel	6.5	\$211,345

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<u>Contractual Services - Bayview</u>		
<u>Hunters Point Foundation</u>		
Team Coordinator	FTEs 1.0	\$16,092
Case Manager/Therapist	2.0	27,518
Psychiatrist	.35	<u>14,829</u>
Subtotal		\$58,439
Fringe Benefits @ 20%		<u>11,688</u>
Subtotal		70,127
Indirect Costs @ 8% of above		
Subtotal		<u>5,610</u>
Total Contractual Services	3.35	\$75,737
<u>Operating Costs</u>		
Supplies		\$10,213
Telephones		1,365
Pagers		<u>773</u>
Total Operating Costs		<u>12,351</u>
TOTAL (Grant)		\$299,433
Matching Funds (from General Fund)		<u>149,717</u>
TOTAL (Project Budget)		\$449,150

**Required Match:** A minimum of at least \$149,717, or 33% of total project budget of \$449,150 (\$299,433 proposed grant plus \$149,717 required match).

**No. of Persons Served:** 12,000 health, mental health, substance abuse, case management and outreach encounters are to be supported by these funds.

**Indirect Costs:** None. The San Francisco Community Clinic Consortium, acting as prime grantee for the grant, has prohibited indirect costs for all subgrantee programs.

**Comments:** 1. Mr. Bob Prentice of the DPH advises that the DPH did not have to reapply for the augmentation of \$299,433, as this is merely an extension of the previous grant, which is timed to be released from May 1, 1992 through October 31, 1992, based on the availability of Federal funding (the Federal fiscal year runs from October 1 through September 30, so it appears that some unspent funds are now available before the Federal fiscal year 1992-93 begins). Mr. Prentice also reports that the DPH expects that DPH will request authorization to reapply for a continuation of the same grant from the Board of Supervisors, effective October 1, 1992.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

2. Mr. Fred Milligan of the DPH reports that although the SFCCC prohibits indirect costs on all subgrantees, the Consortium did not prohibit indirect costs for contractual services because the contract with Bayview Hunters Point Foundation was an existing contract, which had previously included indirect costs. Mr. Milligan advises that the Consortium did not wish to disrupt services by requiring the DPH to initiate a bidding process with a new contractor or by requiring the DPH to renegotiate the contract.

3. Mr. Milligan confirms that under the contractual services portion of the project's budget, the indirect costs are based on 8% of \$70,127, which constitutes 8% of the salaries and fringe benefits of contract staff from the Bayview Hunters Point Foundation.

4. The proposed augmentation to a grant would begin May 1, 1992. The DPH advises that it has already begun to incur costs against this augmentation. Therefore, the proposed resolution contains a clause providing for ratification of action previously taken.

5. Mr. Prentice reports that the Federal government determined the DPH's total project budget of \$449,150 for the period May 1, 1992 through October 31, 1992, by taking its current annual budget and prorating its expenses for a six month period. In accordance with the Federal matching requirement of 33% of the total project costs, \$149,717 was established as the minimum matching amount to be paid by the DPH. The DPH has exceeded that minimum, as reflected in the DPH's Schedule of Local Match Requirements on Grants, which is included in the file and reflects a total match of \$150,668 from the General Fund by the DPH.

6. Although the above listed budget includes FTE positions, the salaries have been prorated to reflect personnel costs for the six month period covered by the proposed augmentation of a grant.

7. Attachment I is the Summary of Grant Request, as prepared by the DPH.

8. Disability Access Checklists, as prepared by the DPH and other agencies offering primary health care and substance abuse services under this grant, are included in the file.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Item No.                      Health Commission - Summary of Grant Request

Grantor SF Community Clinic Consortium  
 Contact Person John Gressman  
 Address 1748 Market Street, Suite 205  
San Francisco, CA 94102

Division PHS  
 Section Homeless Programs  
 Contact Person Fred Milligan  
 Telephone 554-2673

Amount Requested \$ 299,433  
 Term: From 5/1/92 To 10/31/92

Application Deadline                       
 Notification Expected                     

Health Commission                      Board of Supervisors: Finance Committee                       
Full Board

I. Item Description: Request to (amplify) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$ 299,433 from the period of 5/1/92 to 10/31/92 to provide health care and substance abuse services.  
 (Circle appropriate words)

II. Summary: (Concise/brief; need addressed; number of groups served; services and providers)

Request to accept and expend funds as sub-grantee in collaboration with San Francisco Community Clinic Consortium as prime grantee, a continuation augmentation to a grant of \$299,433 for the provision of health services and substance abuse services to homeless individuals in San Francisco.

III. Outcomes/Objectives:

12,000 health, mental health, substance abusers, case management and outreach encounters.

IV. Effects of Reduction or Termination of These Funds:

Denial of health services to homeless persons results in expensive emergency room and hospital inpatient utilization.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	193,808	581,424	299,433		149,717	
Personnel	136,793	410,378	211,345		42,321	
Equipment						
Contract Svc.	49,021	147,064	75,737		95,847	
Mat. & Supp.	6,611	19,832	10,213			
Facilities/Space						
Other	1,383	4,150	2,138		12,500	
Indirect Costs						

VI. Data Processing

(see included above)

VII. Personnel

	4	4	3	1
F/T CSC				
P/T CSC	5	5	6	2
Contractual	4	4	4	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

VIII. Contractual Services: Open Bid X Sole Source                      (If sole source, attach Request for Exemption Form)



Item 1f - File 146-92-31

**Department:** Department of Public Health (DPH)  
Central Administration,  
Medically Indigent Adult (MIA) Program

**Item:** Resolution authorizing the DPH to apply for, accept and expend the fiscal year 1991-92 allocation of up to \$2,500,000, which includes indirect costs of 20 percent of personnel costs, from the State Department of Health Services for Legalized Indigent Medical Assistance (LIMA) funds under the Immigration Reform and Control Act of 1986 (IRCA).

**Amount of Allocation:** Up to \$2,500,000

**Term of Allocation:** July 1, 1991 to June 30, 1992

**Source of Funds:** Federal funds known as State Legalization Impact Assistance Grant (SLIAG), provided through the State Department of Health Services' Legalized Indigent Medical Assistance (LIMA) Program.

**Indirect Costs:** Approximately 20 percent of personnel costs

**Project:** Legalized Indigent Medical Assistance Allocation

**Description:** The proposed resolution would permit the DPH to apply for, accept and expend the fiscal year 1991-92 allocation of LIMA funds from the State Department of Health. Under the LIMA Standard Agreement for FY 1991-92, San Francisco would be reimbursed up to \$2,500,000 for unreimbursed costs of providing medical care services incurred between July 1, 1991 and June 30, 1992 to legalized aliens under the provisions of the Immigration Reform and Control Act of 1986 (IRCA). The scope of health care services to indigent county residents is contained in Section 17000 of the Welfare and Institutions Code (W&IC). Fiscal year 1991-92 is the fifth year of this program.

The State would allocate LIMA funds to reimburse the City for the provision of medical care services to eligible medically indigent legalized aliens based on quarterly cost reports to be submitted by DPH. Reimbursable costs include health care services which are not covered by restricted Medi-Cal, such as non-emergency services or non-pregnancy related services. In addition to quarterly cost reports, the City would provide a final cost report which had been certified by the Controller.

**BOARD OF SUPERVISORS**  
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**Comments:**

1. Ms. Nini Leigh of the DPH reports that she received a letter from the State Department of Health Services, dated January 30, 1992, advising the DPH to continue to submit LIMA cost reports for reimbursement for the fiscal year 1991-92, despite the fact that the Federal Fiscal Year (FFY) 1992 State Legalization Assistance Grants (SLIAG) allocation was not included in the FFY 1992 Federal budget authorization bill. However, the letter also advised that the California Congressional delegation has made a commitment to include the FFY 1992 allocation in the FFY 1993 budget authorization bill. For this reason, it will be necessary to amend the proposed resolution to permit the DPH to retroactively apply for, accept and expend up to \$2,500,000.

Ms. Leigh also notes that the State Department of Health has advised the DPH that it ought to apply for LIMA funds as soon as possible, due to a possible shortage of funds and that it now appears that there is a good possibility that SLIAG monies will be available for reimbursement of LIMA services in fiscal year 1992-93 as well as for fiscal year 1991-92.

Mr. Mike Kamikawa of the IRCA Central Administration Unit of the State Department of Health Services reports that at an April 29, 1992 meeting with Federal officials, the State was told that the IRCA Act has been amended to require the U. S. Department of Health and Human Services (HHS) to make a SLIAG allocation to the states by October 15, 1992. Mr. Kamikawa indicates that the State's SLIAG application is due to the Federal government on July 1, 1992, necessitating that the counties submit their LIMA cost reports to the State prior to that date.

Ms. Irene Bueno from Sen. Alan Cranston's office advises that as of this writing, the SLIAG legislation is still going through the Federal appropriations process, and that both House and Senate bills pertaining to SLIAG have language deferring \$1,122,922,000 in funds appropriated for SLIAG from fiscal year 1992 to fiscal year 1993. However, both the Senate and House conferees have agreed to provide sufficient funds for SLIAG in 1993 and to direct the Secretary of HHS to distribute these funds no later than October 15, 1992.

Ms. Susan Ehrlich of the DPH reports that the State of California had anticipated that SLIAG monies would not be forthcoming to reimburse the counties for services rendered through the LIMA Program during fiscal year 1991-92. The State attempted to compensate for this loss by including enough revenues for counties through realignment to cover SLIAG revenues, as well as other State health revenues. Realignment shifted State General Fund revenues for

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**BUDGET ANALYST**



various health, mental health and social services programs, including the LIMA Program, to sales tax and vehicle license fees. Ms. Ehrlich further advises that if no LIMA expenditures are reimbursed by SLIAG for fiscal year 1991-92, there will be not be a shortfall of DPH revenues since the DPH did not anticipate receiving any SLIAG revenues this fiscal year. If SLIAG revenues were received for fiscal year 1991-92, they would go to offset General Fund expenditures in the DPH. If insufficient funds are raised through State realignment revenues, the cost of providing such services would be borne by the General Fund.

Ms. Leigh reports that for fiscal year 1991-92, the DPH budgeted \$1.8 million for expected State realignment revenues from which the DPH could expect reimbursement for SLIAG services (which includes the LIMA Program). The most recent State estimates the DPH has received indicate it is most realistic for the DPH to count on receiving 6 to 8 percent less (or \$108,000 to \$144,000 less) than the \$1.8 million realignment figure, or approximately \$1,656,000 to \$1,692,000.

2. A Disability Access Checklist has been prepared by DPH and is included in the file.

3. The Summary of Grant Request, as prepared by DPH, is attached.

4. The LIMA Standard Agreement for FY 1991-92 stipulates that all claims for unreimbursed costs made by the County of San Francisco must be presented to the State Department of Health by March 31, 1993.

5. Ms. Leigh reports that, to date, the City has submitted an estimated claim total of \$2.3 million (based on the DPH's actual fiscal year 1990-91 request for reimbursement under the LIMA Program) to the State Department of Health. She also notes that the DPH is in the process of hiring outside consultants to assist in compiling the actual fiscal year 1991-92 claims figures for cost reports to be submitted to the State Department of Health for reimbursement, and that the DPH has budgeted \$40,000 to pay for the work of these consultants.

It should be noted that the DPH budgeted \$40,000 for compiling LIMA cost reports in fiscal year 1991-92 before realignment was instituted around December, 1991. Realignment has created some confusion during the transition period about whether SLIAG revenues will come from the State by way of SLIAG funds provided through the Federal government or by way of realignment revenues.

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Ms. Paula Ferland, Hospital Eligibility Coordinator at San Francisco General Hospital (SFGH), advises that the State Department of Health gives the counties discretion as to which costs they wish to reimburse out of the SLIAG funds provided, and that, for example, the DPH would be able to pay 100 percent of the costs incurred for the work of these consultants if it chose to do so.

6. According to Ms. Leigh, out of the fiscal year 1990-91 claim total of \$2.3 million which the DPH submitted to the State Department of Health under the LIMA Program, the DPH was only actually reimbursed \$1.9 million, due to a shortage of funds.

**Recommendation:** Amend the proposed resolution for retroactivity. Approve the proposed resolution, as amended.

Grantor State Dept. of Health Services  
Contact Person Peter Abbott, M.D.  
Address 714/744 "P" Street  
Sacramento, CA 95814  
Amount Requested \$ Up to \$2.5 Million  
Term: From 7/1/91 To 6/30/92  
Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  

Full Board \_\_\_\_\_

Division Central Administration  
Section MIA Program  
Contact Person Fred Milligan  
Telephone 554-2673  
Application Deadline NA  
Notification Expected NA

I. Item Description: (Circle appropriate words)

Request to (apply for) (accept and expend) a (new) (continuation) (allocation) ~~(augmentation)~~ ~~(b/a)~~ grant in the amount of \$ 2.5 Mill. from the period of 7/1/91 to 6/30/92 to provide legalized indigent medical assistance (LIMA) funds services. under the Immigration Reform and Control Act (IRCA)

II. Summary: (Context/Variety; need addressed; number & groups served; services and providers)

Request to apply for, accept and expend the 1991-92 FY allocation of funds up to the amount of \$2.5 million from the State Dept. of Health Services for the period of 7/1/91 to 6/30/92 for legalized indigent medical assistance (LIMA) funds under the Immigration Reform and Control Act (IRCA). Disbursement of funds will be based on quarterly cost reports submitted by the County for unreimbursed costs of providing medical care services to IRCA legalized persons.

III. Outcomes/Objectives:

To provide health care services to persons legalized under IRCA.

IV. Effects of Reduction or Termination of These Funds:

V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount			\$2.5 million			
Personnel						
Equipment						
*Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs			20% of salaries			

VI. Data Processing

(core included above)

VII. Personnel

F/T CSC

P/T CSC

Contractual

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Exemption Form)



Item 1g - File 146-92-10.1

**Department:** Department of Public Health (DPH),  
Community Public Health Services (CPHS)

**Item:** Resolution authorizing the Department of Public Health (DPH), Community Public Health Services, to accept and expend a grant of \$1,053,333, from the State Office of Health Services, for breast and cervical cancer screening and diagnostic services, waiving indirect costs.

**Grant Amount:** \$1,053,333

**Grant Period:** June 1, 1992 to June 30, 1994 (two years)

**Source of Funds:** State Office of Health Services

**Project:** Breast and Cervical Cancer Screening

**Description:** The Board of Supervisors previously approved a resolution (File 146-92-10) which authorized the Department of Public Health to apply for a grant of \$1,128,256 from the California Department of Health Services for breast and cervical cancer screening services to the residents of San Francisco; waiving indirect costs and providing for ratification of action already taken.

In the interim, the State Office of Health Services has notified the DPH that it is awarding the DPH a total grant amount of \$1,053,333 for breast and cervical cancer screening services over a two year period, consisting of \$475,000 in the first year and \$578,333 in the second year.

This grant will provide fee-for-service reimbursement for screening and diagnostic mammography, clinical breast examinations, pelvic examinations, Pap Smears, colposcopy (cervical examinations), colposcopy directed biopsy and pathology. These services will be provided through the DPH's public health centers and community clinics. The grant is primarily targeted at serving low income (those meeting the State's 200 percent of Federal poverty level guidelines, which is an income level of \$13,240 per year for a single person), uninsured minority women aged 40 years and older. In addition, some services (primarily physical examinations and Pap Smears) will also be made available to younger women who are not covered under the Office of Family Planning reimbursement.

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**BUDGET ANALYST**

This grant was developed by a consortium of agencies led by the DPH, Community Public Health Services. Consortium agencies that will provide direct services by subcontract include: Northeast Medical Services, Mission Neighborhood Health Center, Women's Health Center at San Francisco General Hospital (SFGH), South of Market Clinic and the UCSF Mobile Mammography Van.

Budget:	<u>Year 1</u>	<u>Year 2</u>
CPHS Primary Care Clinics Reimbursement for physical examinations, Pap Smears, colposcopy, colposcopy-directed biopsy and pathology.	\$130,138	\$158,463
<u>Contractual Services</u>		-
Northeast Medical Services Reimbursement for physical exams, Pap Smears, mammography, colposcopy, colposcopy-directed biopsy and pathology.	\$104,161	\$126,801
Mission Neighborhood Health Center Reimbursement for physical exams and Pap Smears.	52,836	62,981
Women's Health Center (SFGH) Reimbursement for physical exams, Pap Smears, mammography, colposcopy, colposcopy-directed biopsy and pathology.	103,120	125,541
South of Market Clinic Reimbursement for physical exams and Pap Smears.	40,475	50,384
UCSF Mobile Mammography Van Reimbursement for screening mammography.	44,270	54,163
Subtotal	<u>\$344,862</u>	<u>\$419,870</u>
Total Budget	<u>\$475,000</u>	<u>\$578,333</u>
Required Match:	None.	

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**No. of Persons  
Served:**

Services for 6,000 to 8,000 women are expected to be provided, depending on whether clients receive one procedure or multiple services from the health centers and clinics.

**Indirect Costs:**

None, because the funder does not allow indirect costs for this grant.

**Comments:**

1. Dr. Geraldine Oliva of DPH reports that expenditure of these funds will be through purchase of service agreements with the State of California, under which DPH will receive reimbursement from the State for costs incurred as services are provided, based on the number of clients seen at the health centers.

2. Disability Access Checklists from the health centers and clinics providing services under this grant as well as their Request for Sole Source Contract forms are included in the file. Ms. Jan Murphy of DPH reports that all of the health centers and clinics providing such services are wheelchair-accessible, although a few health centers lack elevators. She further notes that DPH's policy has been to arrange its use of space so that disabled clients can be served on the first floor of its facilities.

3. Attached is a copy of the Summary of Grant Request.

4. Ms. Murphy reports that the service providers under this contract will be collaborating with other groups, including the American Cancer Society and the Women's Cancer Network, who will provide public and professional education, outreach and community organizing services to the same target population. The service providers under this contract engage in educational efforts while in the process of rendering screening, diagnostic and follow-up services, while groups such as the American Cancer Society have the funding and resources to do broad-based education and outreach.

5. Ms. Murphy advises that DPH and its subcontractors projected that approximately 6,000 to 8,000 women would be served under this contract in the two year period by using the State's reimbursement fee schedule for medical services and examining the number of clients served by DPH and its subcontractors in prior years. Ms. Murphy also reports that the number of clients to be served was computed by assuming that 50 percent of the client population would be established patients who are already part of the health care system and the other 50 percent would be new patients, and that there

would be a 10 percent increase in the number of patients served, as compared to the previous year.

6. Ms. Murphy estimates that the distribution of clients served by seven DPH public health centers and community clinics under the contract in the first year would be the following:

<u>Site</u>	<u>Number of Unduplicated Women Served</u>
DPH Health Care Centers	1,215
North East Medical Services	914
Mission Neighborhood Health Center	486
Women's Health Center (SFGH/UCSF)	<u>546</u>
Total	3,161

**Recommendation:** Approve the proposed resolution.

## Health Commission - Summary of Grant Request

Rev. 4/10/90

for Office of State Health Services Division CPHS  
 Contact Person Liana Lianov, M.D. Section Administration  
 Address P. O. Box 942732 Contact Person Jan Murphy  
Sacramento, CA. 94299-0004 Telephone (415) 554-2617  
 Amount Requested \$ 1,053,333 Application Deadline \_\_\_\_\_  
 Term: From 6/1/92 To 6/30/94 Notification Expected \_\_\_\_\_  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to ~~(apply for)~~ (accept and expand) a (new) ~~(construction)~~ ~~(allocation)~~ ~~(supplementation)~~  
 grant in the amount of \$1,053,333 from the period of 6/1/92 to 6/30/94  
 to provide breast and cervical cancer screening and diagnostic services.  
 follow-up.

II. Summary: (Concise history; brief description; number + groups served; services and providers)

Studies indicate that poor cancer survival rates in low-income groups are due  
 to late diagnosis. While screening is available, access to such services is often  
 deterred by lack of knowledge of preventive care and poor access to community and  
 public resources. This project will provide outreach, education, screening and  
 follow-up to 6,000 of low-income women.

## III. Outcomes/Objectives:

The project expects to improve access to daily and routine diagnosis services  
 and to promote preventive health care among the target population. In addition,  
 improved diagnosis screening, follow-up and quality assurance screening will be  
 established.

## IV. Effects of Reduction or Termination of These Funds:

Without this funding, fewer low-income women will receive early cancer screening and  
 follow-up services. Increases in later stage disease and mortality due to unde-  
 tected breast and cervical cancer.

## V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Rec. Match	Approved by
Grant Amount	0		\$1,053,333			
Personnel	0					
Equipment	0					
Contract Svc.	0		\$764,732			
Mat. & Supp.	0					
Facilities/Space	0					
Other Medical Svcs.	0		\$288,601			
Indirect Costs	0	0				

## VI. Data Processing

(See or Enclosed above)

0 0

## VII. Personnel

F/T CSC	0	0			
P/T CSC	0	0			
Contractual	0	0			

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source XX (If sole source, attach Request for Proposals Form)



Item 1h - File 146-92-32

**Department:** Department of Public Health (DPH)  
Laguna Honda Hospital (LHH)

**Item:** Resolution authorizing the Department of Public Health, Laguna Honda Hospital, to apply for, accept and expend a State grant for handicapped transportation services to the residents of San Francisco; waiving indirect costs.

**Grant Amount:** \$35,600

**Source of Funds:** State Department of Transportation (Caltrans)

**Project:** Purchase of Passenger Van with Wheelchair Lift

**Description:** The proposed grant funds would be used for the purchase of a new 15 passenger modified van with a fully automated wheelchair lift and a mobile radio for the Adult Day Health Service at Laguna Honda Hospital. The Adult Day Health Service provides services to the elderly in the community including picking up and dropping off clients at their homes and providing a program of activities at the Adult Day Health Center designed to provide physical and mental stimulation. Many of the client population have physical limitations, and the proposed purchase of a modified passenger van with a wheel chair lift would be able to accommodate these passengers. The Adult Day Health Service at LHH is directed towards seniors living in the Outer Richmond, Park Merced and Sunset areas.

**Required Match:** \$8,900 to be funded through funds included in the Laguna Honda Hospital's FY 1991-92 budget. Therefore, the total project budget including cash match would be \$44,500 (\$35,600 proposed grant award plus \$8,900 (20 percent) cash match).

**Budget:** The entire \$44,500 would be used for the purchase of one 15 passenger modified van with an automated wheelchair lift and a mobile radio.

**No. of Persons Served:** Approximately 45 persons currently enrolled in the Adult Day Health Service.

**Indirect Costs:** None. Caltrans prohibits the use of grant funds for indirect costs. Therefore, the proposed resolution would waive indirect costs.

**Comments:**

1. According to Ms. Linda Karpowich of LHH, there are currently five passenger vans in operation for the Adult Day Health Service at LHH. Ms. Karpowich reports that four of these vans are modified with a wheelchair lift. These vans are used to pick up an average of 45 daily passengers living in the Outer Richmond, Park Merced and Sunset areas. Ms. Karpowich indicates that the five vans can accommodate a total of 44 passengers and eight wheelchair passengers, for a total of 52 passengers. Ms. Karpowich indicates that the type of van which LHH would purchase would likely be able to accommodate six additional passengers and two additional wheelchair passengers. Therefore, assuming six vans are operational, the Adult Day Health Service program at Laguna Honda would be able to accommodate up to 50 passengers, plus ten wheelchair passengers, for a total of 60 passengers. As noted above, on average, 45 persons attend the Adult Day Health Service program daily.

2. Ms. Karpowich estimates that the maintenance costs for the existing five vans is approximately \$6,000 each, or \$30,000 annually. Ms. Karpowich also estimates that the new van would only require approximately \$2,500 annually during the initial years. Therefore, the total maintenance costs for six vans would be approximately \$32,500 annually initially. However, Ms. Karpowich indicates that based on previous grant awards made by Caltrans, and given that Caltrans has yet to review the proposed request for funding, LHH would probably not have the proposed van fully operational for approximately 18 months. Therefore, it is not likely that the estimated additional maintenance costs of \$2,500 would be incurred during fiscal year 1992-93. According to Mr. Evan Chan of LHH, these maintenance costs for the Adult Day Health Service program are paid for with the LHH budget, of which approximately 13 percent is funded through the General Fund.

3. According to Ms. Karpowich, although on average there are approximately 45 persons daily which attend the Adult Day Health Service program, up to 60 persons have requested to attend the program on a given day. Ms. Karpowich indicates that because the van capacity is currently limited to 52 passengers, the purchase of an additional van would enable the LHH to expand its services to additional clients. Ms. Karpowich reports that private clients currently pay a sliding scale between \$30-\$65 daily, LHH receives approximately \$46 for Medi-Cal eligible patients, and the Veterans' Administration pays LHH \$55 for clients enrolled under their program. Ms. Karpowich reports that expanding services could increase revenues for the program, without having to increase staff or other program costs.

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4. Ms. Karpowich indicates that because the existing five vans can only accommodate eight wheelchair passengers, some of the semi-ambulatory passengers are currently lifted into the vans and assisted into passenger seats, but it would be easier if these persons could be accommodated as wheelchair passengers.

5. The LHH has completed a "Disability Access Checklist" which is in the file.

6. Attached is the "Summary of Grant Request" as completed by the DPH.

7. Although initial additional maintenance costs of approximately \$2,500 annually would be incurred by the purchase of an additional van, funded through LHH's budget, of which approximately 13 percent is funded through the General Fund, because increasing the number of clients for the Adult Day Health Service program would increase revenues, without increasing staff or other program costs, the Budget Analyst recommends approval of the proposed resolution.

**Recommendation:** Approve the proposed resolution.

Item No.                      Health Commission - Summary of Grant Request                      Rev. 4/10/90

State Department of  
 Grantor Transportation (Caltrans)

Contact Person Charlotte Cosulich

Address P.O. Box 7310  
San Francisco, CA 94120-7310

Amount Requested \$ 35,600

Term: From                      To                     

Health Commission                      Board of Supervisors: Finance Committee                       
                     Full Board                     

Division Laguna Honda Hospital

Section Adult Day Health Center

Contact Person Linda Karpowich

Telephone 415-664-1102

Application Deadline June 1, 1992

Notification Expected                     

I. Item Description: Request to (apply for) (accept and expend) a (new) (construction) (allocation) (augmentation) grant in the amount of \$ 35,600 from the period of                      to                      to provide transportation services.

(Check appropriate words)

II. Summary: (Concise summary; need address; number + groups served; services and provision)

The Adult Day Health Service at Laguna Honda Hospital provides services to the elderly in the community, including picking up and dropping off clients at their homes and providing a program of activities at the Center designed to provide physical and mental stimulation. Many of the client population have physical limitations such that a specially modified vehicle which can transport people in wheelchairs is necessary.

III. Outcomes/Objectives:

The funds requested under this grant will be used exclusively in the purchase of a new 15 passenger modified van with fully automated wheelchair lift and a mobile radio. The existing vans are old and nearing the end of their useful life and need for day health transportation services is expanding.

IV. Effects of Reduction or Termination of These Funds:

If these funds are not awarded, Laguna Honda Hospital will be unable to purchase this van and vital services to the elderly and handicapped in the community will be curtailed.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			35,600		8,900	
Personnel			N/A		N/A	
Equipment			35,600		8,900	
* Contract Svc.			N/A		N/A	
Mat. & Supp.			N/A		N/A	
Facilities/Space			N/A		N/A	
Other			N/A		N/A	
Indirect Costs			N/A			

VI. Data Processing

(see included above)

N/A

N/A

VII. Personnel

F/T CSC		N/A		N/A
P/T CSC		N/A		N/A
Contractual		N/A		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

\*VIII. Contractual Services: Open Bid N/A Sole Source N/A (If sole source, attach Request for Quotation Form)

Item 1i - File 147-92-3

**Department:** San Francisco Public Library

**Item:** Resolution authorizing the San Francisco Public Library to apply for Federal grant funds for the purchase of foreign language materials for fiscal year 1992-93; waiving indirect costs.

**Grant Amount:** Not to exceed \$85,000

**Grant Period:** October 1, 1992 through September 30, 1993

**Source of Funds:** U.S. Department of Education

**Project:** Foreign Language Program - Ethnic Focus Centers

**Description:** The proposed grant funds would be used to provide Spanish, Chinese, Vietnamese and other Asian core collections of ready reference, software and popular library materials in various formats for adults and children at the Main Library. Funds will be used to create adult and children's Ethnic Focus Centers, which will enhance the existing non-English language collections, and will be tailored to the needs of the diverse ethnic populations of San Francisco. The proposed grant funds would be used to respond to changing demographics in the Tenderloin, which according to the 1990 Census of Population, has had a 93 percent increase in Asian residents. The Public Library currently circulates 450,000 foreign language items per year. The proposed grant funds would be used to supplement the existing circulation.

<b>Budget:</b>	Children's Books (all languages)	\$12,000
	Spanish	17,000
	Vietnamese	13,000
	Chinese	28,000
	Japanese	4,000
	Korean	3,000
	Southeast Asian	5,000
	Software (all languages)	<u>3,000</u>
	Total	\$85,000

**Required Match:** None.

**Indirect Costs:** None. The U.S. Department of Education prohibits the inclusion of indirect costs. Therefore, the proposed resolution requests that indirect costs be waived for this grant.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. According to Ms. Elizabeth Hope Hayes of the Public Library, the grant application deadline was March 9, 1992, and the Public Library has already applied for the proposed grant funds prior to requesting authorization from the Board of Supervisors. Therefore, the proposed resolution should be amended to authorize the Public Library to retroactively apply for the proposed grant funds.

2. Ms. Hayes reports that the Public Library has outlined the amount of the proposed grant funds to be spent on each type of foreign language materials, however, the Public Library has not specifically selected which materials would be purchased. In addition, the Public Library anticipates that any additional cataloguing costs would be absorbed with existing Public Library staff.

3. The Public Library has completed a "Disability Access Checklist" which is in the file.

4. Attached is the "Summary of Grant Request" as completed by the Public Library.

**Recommendations:** 1. Amend the proposed resolution to authorize the Public Library to apply for the proposed grant funds retroactively.

2. Approve the proposed resolution, as amended.

File Number \_\_\_\_\_

## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

*RA*

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: Library

Contact Person: Elizabeth Hope Hayes Telephone: 557-4200

Project Title: Foreign Language Program - Ethnic Focus Centers

Grant Source: U.S. Department of Education, Library Services and Construction Act (LSCA)

Proposed (New / Continuation) Grant Project Summary:

San Francisco Public Library Library System includes the Main Library, 19 neighborhood branches, seven reading centers, a library for the blind and print-handicapped and a bookmobile. Within the Main Library there are seven major subject departments, special services for the Deaf and Hearing-impaired and a literacy program, Project Read. Systemwide over 3.2 million items circulate annually. Special emphasis is placed on meeting the information needs of San Francisco's multi-lingual, multi-cultural, economically diverse communities.

The purpose of this grant is to provide Spanish, Chinese, Vietnamese and other Asian core collections of ready reference, software and popular library materials in various formats for adults and children at the Main Library. Funds will be used to create adult and children's Ethnic Focus Centers, which will enhance the existing non-English language collections, and will be tailored to the needs of the diverse ethnic populations of San Francisco. This grant responds to changing demographics in the Tenderloin, which according to the 1990 Census of Population has had a 93% increase in Asian residents. The Library circulated 450,000 foreign language items per year. This grant will supplement the Library's materials budget and enable purchase of thousands of indispensable items.

Amount of Grant Funding Applied for: \$85,000.00

Maximum Funding Amount Available: \$85,000.00

Required Matching Funds: none

Number of Positions Created and Funded: none

Amount to be Spent on Contractual Services: none

Will Contractual Services be put out to Bid? n.a.

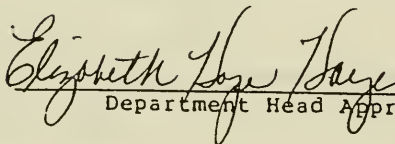
Term of Grant: Oct. 1, 1992 - Sept. 30, 1993

Date Department Notified of Available funds: August 1992

Application Due Date: March 9, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Grants will be awarded to libraries that demonstrate effective management plans, high quality design, commitment to serving underrepresented groups, cost effectiveness, needs of service group. Funds are for purchase of materials for library collections, such materials to be in languages other than English.

  
Acting City Librarian  
Department Head Approval



Item 1j - File 192-92-2

**Department:** Department of Parking and Traffic (DPT)  
Department of Public Works (DPW)

**Item:** Resolution authorizing the Executive Director of the Department of Parking and Traffic and the Director of the Department of Public Works to apply for, accept and expend a continuation State grant for bicycle/pedestrian projects, forgoing reimbursement of indirect costs.

**Grant Amount:** \$450,000

**Grant Period:** Approximately June 1, 1992 through May 30, 1995

**Source of Funds:** State Transportation Development Act (TDA), Article 3

**Project:** Bicycle/Pedestrian projects

**Description:** The State Transportation Development Act (TDA) was passed in 1971. Article 3 of the TDA includes provisions for pedestrian and bicycle allocations. While Article 3 allows the use of funds for support of public transportation systems or community transit services, or for local street and road purposes in lieu of bicycle/pedestrian projects, the Board of Supervisors passed a resolution (File 196-90-6) on October 29, 1990 which urged the Mayor to support the full use of TDA Article 3, Bicycle/Pedestrian funds for bicycle/pedestrian improvements. If instead, the TDA funds were used for transit-related projects and appropriated to MUNI's budget, then these revenues could be used to offset MUNI's budget of which approximately 42.5 percent is General Fund revenues.

The proposed resolution would authorize the Department of Parking and Traffic to fund the following projects:

Bicycle Racks	\$100,000
Bicycle signing and marking improvements	115,000
Bicycle safety education programs and a City bike route map	10,000
Installation of handicapped curb ramps	200,000
Improvement of pedestrian walkways in Bernal Heights	<u>25,000</u>
Total Budget	\$450,000

**Required Match:** None.

**BOARD OF SUPERVISORS**  
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**Indirect Costs:** None. The State does not reimburse for indirect costs under TDA, Article 3.

**Comments:** 1. According to Mr. Tim Johnson, of the Department of Parking and Traffic (DPT), existing DPT staff would complete the bicycle signing, lane striping and mapping projects as follows:

Bicycle signing and marking improvements	\$115,000
Bicycle safety education programs and a City bike route map	<u>10,000</u>
Total	\$125,000

In addition, Mr. Johnson reports that the remaining projects would be work-ordered to the Department of Public Works (DPW), using existing DPW staff:

Bicycle Racks	\$100,000
Installation of handicapped curb ramps	200,000
Improvement of pedestrian walkways in Bernal Heights	<u>25,000</u>
Total	\$325,000

2. According to Ms. Karen Gelman of the DPW, based on a City-wide survey of major neighborhoods and shopping districts completed by the DPW and the DPT, approximately 970 curbs were identified in need of handicapped curb ramps. Ms. Gelman reports that although the total cost to install these 970 ramps would be approximately \$1 million, the \$200,000 in proposed TDA funds would be used to install curbs in the most critical high traffic areas. Approximately 194 handicapped ramps would be installed with the proposed TDA funds (based on \$1 million total estimated cost for 970 curbs equals approximately \$1,031 for each curb). Ms. Gelman reports that the DPW is currently attempting to acquire approximately \$800,000 in Federal grant funds for the installation of the remaining handicapped curb ramps.

3. Although the Board of Supervisors has passed a resolution in 1990 (File 196-90-6) which supported the full use of TDA Article 3, bicycle/pedestrian funds for bicycle improvements, given that the proposed TDA funds could be used to offset MUNI operations costs, approval of the proposed resolution is a policy matter for the Board of Supervisors.

4. The DPT has completed a "Disability Access Checklist" which is in the file.

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Memo to Finance Committee  
May 20 , 1992

5. Attached is the "Summary of Grant Request."

**Recommendation:** Given that the proposed TDA funds could be used to offset MUNI operations costs, approval of the proposed resolution is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

## - Summary of Grant Request

Rev. 4/10/90

Item No. \_\_\_\_\_

Grantor State TDA Funds - Article 3  
 Contact Person Metropolitan Transportation Commission  
 Address \_\_\_\_\_

Division Department of Parking & Traffic  
 Section \_\_\_\_\_  
 Contact Person Tim Johnson  
 Telephone 554-9823  
 Application Deadline \_\_\_\_\_  
 Notification Expected \_\_\_\_\_  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

Amount Requested \$ 450,000  
 Term: From 7/1/92 To 5/30/95  
 Health Commission \_\_\_\_\_

**I. Item Description:** Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$450,000 from the period of 7/1/92 to 5/30/95 to provide Bicycle/Pedestrian Improvement services.  
 (Circle appropriate words)

**II. Summary:** (Concise history; need addressed; number + groups served; services and providers)

The proposed funds would be used for support bicycle/pedestrian improvements, including installation of signing and marking handicapped curb ramps and improved pedestrian walkways in Bernal Heights.

**III. Outcomes/Objectives:**

Improve bicycle/pedestrian conditions.

**IV. Effects of Reduction or Termination of These Funds:**

**V. Financial Information:**

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount		\$472,313	\$450,000	(\$22,313)		
Personnel						
Equipment						
*Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other		\$472,313	\$450,000	(\$22,313)		
Indirect Costs						

**VI. Data Processing**

(costs included above)

**VII. Personnel**

F/T CSC	N/A			
P/T CSC				
Contractual				

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)

Item 1k - File 101-91-56.1

**Department:** Juvenile Probation

**Item:** Request for release of reserved funds to cover local share costs not eligible for State funds for various capital improvement projects, Juvenile Probation, fiscal year 1991-92.

**Amount:** \$333,392

**Source of Funds:** General Fund - General Reserve

**Description:** The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-92-56) for \$450,000 and reserved \$333,392 pending the passage of legislation to accept and expend Proposition 86 State bond funds. Subsequently, the Board of Supervisors authorized the Juvenile Probation Department to accept and expend \$1,970,838 of Proposition 86 State bond funds (File 141-92-1). Under Proposition 86, the State will reimburse the City for capital improvement projects. The requested release of reserved funds of \$333,392 would provide the City's portion of funds, which the State has determined as ineligible for reimbursement under Proposition 86. Prior to the City accepting and expending these Proposition 86 funds, the City must demonstrate its ability to cover local costs which are not eligible for State funding.

The Juvenile Probation Department is currently a defendant in a lawsuit by the Youth Law Center for infrastructure deficiencies involving the facility's fire, life and safety systems. The requested release of reserved funds would be used for the Department of Public Works (DPW) fees for project management, design, construction management services in the Bureau of Architecture, and consulting design services for the Bureau of Engineering. The projects for which the DPW's Bureau of Architecture and the Bureau of Engineering will provide project management, design and construction management services include miscellaneous improvement, fire, health and safety projects for the Youth Guidance Center (YGC) including various building roofing projects, emergency asbestos work, diesel fuel tank installation, repair of fire alarms at Juvenile Hall, installation of fire doors in corridors, cottage security window installation and cottage bathroom repairs.

**Comments:** 1. According to Ms. Patricia Grice of the Juvenile Probation Department, although the Department was authorized to accept and expend Proposition 86 funds in the amount of

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\$1,970,838, the State only awarded the Department \$1,351,637, a difference of \$619,201. Therefore, the total Proposition 86 project budget is \$1,685,029 (consisting of \$1,351,637 in State Proposition 86 funds and \$333,392 in General Fund monies).

2. According to Mr. Howard Wong of the Department of Public Works (DPW), most of the above-listed construction projects at YGC would be work-ordered to the DPW. However, Mr. Wong indicates that the DPW has not yet determined whether some of these projects would be done through an outside contractor. For instance, Mr. Wong reports that in the event that asbestos is uncovered, a contractor would be selected through emergency contract procedures.

3. Mr. Wong reports that the above-listed projects would be completed through July, 1993. Mr. Wong reports that the average hourly rates for project staff, including the Bureaus overhead rate, is approximately \$65 to \$70 hourly. Therefore, the reserved funds would be used for approximately 4,939 hours. However, since some of the above-listed construction projects may be done through an outside contractor, it has not yet been determined whether some of the \$333,392 in reserved funds may go to an outside contractor, or whether these funds would be used entirely for DPW overhead.

4. Given that the Juvenile Probation Department is currently a defendant in a lawsuit by the Youth Law Center, and given that the reserved funds must be released prior to the Department receiving Proposition 86 State bond funds to complete the projects, the Budget Analyst recommends approval of the requested release of reserved funds, even though it has not yet been determined whether some of the \$333,392 in reserved funds may go to an outside contractor, or whether these funds would be used entirely for DPW overhead.

**Recommendations:** 1. Release the reserved funds in the amount of \$333,392.

2. Request that the Juvenile Probation Department and the Department of Public Works submit a reports which includes a detailed budget, and the MBE, WBE status of any contractors used for the above-listed capital improvement projects at the Youth Guidance Center.

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Item 11 - File 94-91-4.3

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Request for release of a budgetary reserve of 1991-92 Federal Transit Administration Section 9 Capital Funds, including \$51,598 in Federal funds and \$13,402 in local matching funds for a total of \$65,000 for Municipal Railway Contract No. MR-1039-R, Curtis E. Green Light Rail Facility, Geneva Site, Maintenance Building, Paint Booth Fans Modification.

**Amount:** \$65,000 (See Comment #1)

**Source of Funds:**

Urban Mass Transit Administration (UMTA)		
Section 9 Capital Assistance	\$51,598	--
Local Match	<u>13,402</u>	
Total	\$65,000	

**Description:**

The Board of Supervisors previously approved a resolution (File 94-91-4) which authorized the Public Utilities Commission (PUC) to apply for, accept and expend \$13,815,120 in Federal Urban Mass Transit Administration (UMTA) Section 9 formula assistance funds, and apply for, accept and expend \$3,453,780 in local matching funds for a total of \$17,268,900. Of the \$17,268,900 in capital project funds available, a total of \$13,982,500 was reserved (\$11,114,000 of Federal funds and \$2,778,500 of local funds), pending the selection of the contractors, budgets for the contractors, and the contractors' MBE/WBE/LBE status. According to the Controller's Office, \$97,479 of the \$13,982,500 reserve has been previously released by the Finance Committee. If the reserved funds of \$65,000 (\$51,598 of Federal funds and \$13,402 of local funds) are released, a balance of \$13,820,021 would be left on reserve.

Included in the original \$13,982,500 reservation of funds is the sum of \$8,342,600 that was reserved for Fixed Facility Rehabilitation. The projects included in this request for release of funds are a part of the Fixed Facility Rehabilitation allocation.

**Comments:**

1. The source of funds for the \$13,402 in matching funds under this request for the release of the reserved funds of \$65,000, would be as follows:

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Transportation Planning and Development (TP&D) Grant	\$3,286
Transit Impact Development Fees (TIDF)	3,286
San Francisco Municipal Railway Improvement Corporation (SFMRIC)	<u>6,830</u>
Total match:	\$13,402

\$56,781 of the reserved funds would be used for an outside contract to modify the paint booth fans in MUNT's Curtis E. Green Light Rail Facility, Geneva Site, Maintenance Building. The remainder of the \$65,000 request (\$8,219) would be work ordered to the Department of Public Works to complete work on a silk screen sign shop.

2. The PUC reports that bids for the proposed contract were received and opened on January 27, 1992. The contract for the modification of the paint booth fans was awarded to E. Mitchell, Inc., a San Francisco based firm, based on its low bid of \$43,450. E. Mitchell, Inc., is pending certification as a women-owned business and a locally-owned business by the City's Human Rights Commission. The budget for the proposed project is attached.

3. Mr. John O'Neill of MUNT's Engineering Division reports that the 15 percent contingency is standard for rehabilitation projects because of the potential for unforeseen field conditions that often result in contract modifications.

4. Ms. Marianne Malveaux of the PUC reports that the proposed paint booth fan modifications project is to be completed within 90 days of the contractor's Notice to Proceed date.

**Recommendations:** Release the reserved funds in the amount of \$65,000.

PUBLIC UTILITIES COMMISSION  
CAPITAL PROJECT EXPENDITURE AUTHORIZATION  
HETCHY MUNI WATER

PROJECT NO.	TITLE	GENEVA - PAINT BOOTH/SHOP MODIFICATIONS		
F. PROJ. COST	\$65,000	INITIATION DATE	COMPLETION DATE	
COUNT NO.	TASK DESCRIPTION	INITIAL	CONCEPTUAL	BASELINE
	1. UEB SERVICES INC. FRINGES & INDIRECT COSTS			
	A. PROJ. MANAGEMENT			\$0
	B. ENG. SERVICES			\$0
	C. CONSTR. ENG.			\$0
	D. OTHER DIRECT EXPENSE (TRAVEL, M&S,REVOLVING FUND, ETC.)			- -
	TOTAL UEB			\$0
	2. NON-UEB SVCS. INC. FRINGES & INDIRECT COSTS			
	COSTS			
	A. PROJ. MANAGEMENT	\$1,013		\$1,013
	B. ENG. SERVICES	\$1,300		\$1,300
	C. CONSTR. ENG.	\$4,500		\$4,500
	D. OTHER DIRECT EXPENSE (TRAVEL, M&S,REVOLVING FUND, IDWO)	\$8,219		\$8,219
	TOTAL NON-UEB			\$15,032
	3. CONSULTANT SERVICES	\$0		\$0
	4. CONTRACTS			
	A. CONSTRUCTION	\$43,450		\$43,450
	B. MATERIALS			\$0
	C. EQUIPMENT			\$0
	D. TAX (&25%)			\$0
	TOTAL CONTRACTS			\$43,450
	5. CONTINGENCY (15%)	\$6,518		\$6,518
	TOTAL BUDGET			\$65,000
	6. UNPROGRAMMED			
	TOTAL APPROPRIATION			\$65,000

PROJECT MANAGER UEB MANAGEMENT *Johnny B Stein* CLIENT MANAGEMENT FINANCE BUREAU

FINANCE & FMS REVENUE SOURCE INFORMATION (TO BE FURNISHED BY PUC

FINANCE)

FINANCE FUND GROUP/FUND

INDEX CODE

PROJECT/W/PHASE

PROJECT NO.

REFERENCE: RESPONSIBILITY CENTER

DATE PROCESSED



Item 1m - File 101-91-12.1

**Department:** Department of Public Works (DPW)  
Clean Water Program (CWP)

**Item:** Release of reserved funds for environmental consultant services for the Bayside Treatment Evaluation Project.

**Amount:** \$250,000

**Source of Funds:** General Obligation Sewer Bond Interest Accumulation

**Description:** In appropriating \$750,000 for an evaluation of the Bayside wastewater treatment facilities and discharge plans for treated wastewater in October of 1991 (File 101-91-12), the Board of Supervisors reserved \$250,000 for preparation of an Environmental Impact Statement pending Departmental submission of the contractor's name, its MBE/WBE status, and budget information.

The Bayside wastewater facilities, located along the eastern boundaries of the City, are an interdependent system of transport, storage, pumping and treatment of sewage with the goal of reducing sewage overflows. The majority of these facilities have been planned, designed and constructed. The elements around the Northern Waterfront to the Central Basin are completed and functioning as are the facilities in the Yosemite Basin. Construction is ongoing in the Southeastern district, in the Sunnydale area and in the Central Basin area (Mariposa facility) and are expected to be completed in the Spring of 1992. In the Islais Creek area, the design of facilities is now underway and the Clean Water Program is ready to advertise for construction on the first of the combined sewer overflow control projects in the area. Planning is completed for the Islais Creek station to transport flow to the Southeast Plant for treatment.

To date, no examination has been made of the ultimate level of treatment of wastewater and how and where to dispose of or reuse the wastewater. Currently, the City discharges all of its treated wastewater into the Bay. The City's 1975 long-range plan called for a crosstown tunnel to carry the treated wastewater to the ocean. The Department is now reconsidering this original plan to evaluate different scenarios such as reusing the reclaimed wastewater, continuing to dispose of it into the Bay, building the crosstown tunnel or a mixture of all three. According to the Clean Water Program, three issues regarding water treatment and disposal now face the City, as follows:

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1. The Regional Water Quality Control Board has issued a revised Basin Plan for the Bay Area which includes new and more stringent requirements for discharge of sewage flow into the Bay and the Ocean.
2. The drought has caused the Clean Water program to consider reusing wastewater rather than discharging it. (The Board of Supervisors adopted legislation in 1991 (File 188-91-2) establishing requirements for the use of reclaimed water in the City).
3. Regarding the discharge of treated effluent to Islais Creek during the wet weather season, the discharge location does not provide the required dilution for treated effluent.

To address these three issues, the Board of Supervisors previously approved the \$750,000 supplemental appropriation to fund studies and analysis on the best options and combinations for treatment, disposal and reuse of dry and wet weather wastewater. Included in the \$750,000 supplemental appropriation request was \$250,000 to fund the development of an Environmental Impact statement, which is the subject of this request for release of reserved funds.

The Clean Water Program intends to retain EIP Associates under an existing contract to perform the Environmental Impact statement. The contract amount would be \$283,583. According to the Department, EIP Associates was originally selected in 1989 to complete environmental documents pertaining to the Bayside Facilities. The Department reports that the work was postponed because the Regional Water Quality Control Board (RWQCB) regulations concerning Bayside wastewater discharges had not been issued.

The schedule and the budget for the development of the proposed Environmental Impact statement are attached (Attachments I and II):

**Comments:**

1. EIP Associates is not an MBE or a WBE firm. However, EIP Associates has agreed to subcontract 40 percent of the proposed contract value of \$283,583, or approximately \$114,000. In addition, the City's Human Rights Commission has reviewed the proposed contract and has determined that EIP has met the City's pre-award affirmative action requirements, as set forth in Chapters 12B and 12D of the San Francisco Administrative Code.

2. Mr. Mike Quan of the Clean Water Program reports that the additional sum of \$33,583 to complete the contractual work (\$283,583 less the \$250,000 sum of this request) would be

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obtained from the \$500,000 remaining in the supplemental appropriation for evaluation of the Bayside water treatment facilities.

3. The Indirect Labor sum of \$86,659 shown in Attachment II consists of indirect salaries, rent, supplies, telephone, computer, and various other indirect expenses.

4. Mr. Quan reports that the release of the \$250,000 is critical to completing the environmental process in time to meet the Cease and Desist order of the Regional Water Quality Control Board (RWQCB) by October of 1994.

**Recommendation:** Release funding in the amount of \$250,000, as requested.

**PROJECT SCHEDULE  
BAYSIDE TREATMENT EVALUATION**

TASKS	1992												1993												1994												
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
OVERALL PROJECT MANAGEMENT																																					
DEVELOP DETAILED STUDY PLAN																																					
PERFORM TECHNICAL STUDIES																																					
PREPARE PROJECT REPORT (INTERIM/FINAL)																																					
PUBLIC PARTICIPATION																																					
PREPARE ENVIRONMENTAL DOCUMENTS																																					
ADOPTION BY BOARD OF SUPERVISORS																																					
NOTIFY RWCOB																																					

EIP ASSOCIATES  
 BREAKDOWN OF ESTIMATED COSTS  
 FOR BAYSIDE 3 DEIR

	<u>RATE</u>	<u>Task 1</u>	<u>Task 2</u>	<u>Task 3</u>	<u>TOTAL HOURS</u>	<u>COST</u>
<b><u>LABOR:</u></b>						
Principal II (Project Director)	\$46.00	128	20	80	228	\$10,488
Senior Professional (Project Manager)	26.00	260	144	424	828	21,528
Professional I	24.00		136		136	3,264
Professional II	21.00	60	164		224	4,704
Technician I	20.00	120			120	2,400
Technician II	16.00	80		280	360	5,760
Technician III	12.00				0	0
Total Direct Labor					<u>1,896</u>	<u>\$48,144</u>
Indirect Labor (1.80)						<u>86,659</u>
<b>TOTAL LABOR COST</b>						<u><b>\$134,803</b></u>
<b><u>EXPENSES:</u></b>						
Printing (Copicopia) (WBE)						\$12,000*
Travel						1,000
Postage and Telephone						1,500
Supplies						<u>1,500</u>
<b>TOTAL EXPENSES</b>						<u><b>\$16,000</b></u>
<b><u>SUBCONSULTANTS:</u></b>						
Dowling (MBE)						\$42,000 *
Geo Resources (MBE)						20,000 *
David Chavez (MBE)						20,000 *
Bendix (WBE)						20,000 *
Water Engineering & Modeling						<u>5,000</u>
<b>TOTAL SUBCONSULTANTS</b>						<u><b>\$107,000</b></u>
<b>TOTAL COST</b>						<u><b>\$257,803</b></u>
<b>FEE</b>						<u><b>25,780</b></u>
<b>TOTAL COST AND FEE</b>						<u><u><b>\$283,583</b></u></u>

\* Total of \$114,000 for MBE/WBE firms.



Item 1n - File 146-91-10.3

**Department:** Department of Public Health (DPH),  
Family Health Bureau

**Item:** Requesting release of \$64,000 in reserved funds for renewal contractual services with CAHEED Day Care Center to provide educational and support services to pregnant and postpartum African-American women and infants for the period July 1, 1992 through June 30, 1993.

**Amount:** \$64,000

**Period:** July 1, 1992 to June 30, 1993

**Source of Funds:** State Department of Health Services, Maternal Child Health Branch Grant

**Project:** Black Infant Health Improvement Project

**Description:** The Board of Supervisors previously approved a resolution (File 146-91-10) authorizing the Department of Public Health to accept and expend a new grant of \$214,284 from the State Department of Health Services to fund a project aimed at improving Black infant health for San Francisco residents for the grant period of January 1, 1991 through June 30, 1993 (2.5 years). In addition, the same resolution authorized the placing of \$114,000 of the \$214,284 on reserve pending the DPH's identification of a specific contractor to establish and operate the Community Support Center for the Black Infant Health Improvement Project. The goal of the Center would be to provide educational and support services to 350 African-American pregnant and postpartum women and their infants residing in the Bayview Hunters Point/Visitacion Valley Districts of the City. Subsequently, CAHEED Day Care Center was selected, on a sole source basis, to provide the Community Support Center services.

On February 5, 1992, the Finance Committee approved a request to release \$50,000 from the \$114,000 on reserve for a contract with CAHEED, Inc. for services related to the Black Infant Health Project for the period February 1, 1992 through June 30, 1992. The initial grant of \$50,000 was primarily used for start-up costs in establishing the Community Support Center.

The DPH is now requesting release of the remaining \$64,000 (\$114,000 less \$50,000) on reserve to renew its sole source contract with CAHEED, Inc. to continue to provide

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educational and support services to the same target population for the period July 1, 1992 through June 30, 1993. The services to be provided by CAHEED include referrals, counseling and individual educational sessions for 200 African-American women on a drop-in basis; one-hour long group educational sessions for at least 200 women for a minimum of twice a month; and the provision of intensive support services for 8 to 12 pregnant women. In addition, CAHEED will provide written documentation to the DPH of services provided on a quarterly basis and will be represented at least three Black Infant Health Task Force meetings during the grant period.

The DPH's Family Health Bureau's Black Infant-Health Improvement Program (BI-HIP), will provide on-site training and supervision of health workers and coordinate all of the Community Support Center's activities. All work schedules, equipment purchases and final hiring are to be reviewed and approved by Ms. Virginia Smyly, contract manager of BI-HIP.

**Budget:**

<u>Personnel Positions</u>	<u>FTEs</u>	<u>Salaries</u>
2 Community Health Aides	1.0	\$20,880
1 Clerk Typist	.5	7,308
1 Social Worker	.5	16,401
1 Executive Director	<u>.1</u>	<u>4,066</u>
Total Personnel	2.1	\$48,655
<u>Fringe Benefits (21%)</u>		<u>10,321</u>
Subtotal		\$58,976
<u>Operating Expenses</u>		
Staff Travel		\$600
Consultant Services		1,200
Accountant Services		2,520
Materials, Supplies & Incidental Furnishings		2,204
Staff Training		<u>500</u>
		<u>7,024</u>
TOTAL PROJECT COSTS		<u>\$66,000</u>

**Comments:**

The DPH is contracting with CAHEED for a total of \$116,000 (\$50,000 for fiscal year 1991-92 and \$66,000 for fiscal year 1992-93), which is \$2,000 more than the \$114,000 originally placed on reserve. Ms. Virginia Smyly of the DPH reports that subsequent to DPH's receipt of the original grant amount of \$214,284 for the Black Infant Health Improvement Project, the State allocated an additional grant augmentation for this

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Memo to Finance Committee  
May 20, 1992

project in the amount of \$175,000, for the same grant period of January 1, 1991 to June 30, 1993 (File 146-91-10.1). Ms. Smyly advises that the additional \$2,000 required for the CAHEED contract will be paid for by the State grant augmentation.

**Recommendation:** Approve the proposed release of reserve.

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Item 2 - File 100-92-3

**Note:** This item was continued by the Finance Committee at its meeting of May 6, 1992.

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This latest projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both.

According to Mr. Ted Lakey of the City Attorney's Office, the California State Constitution requires that the City and County of San Francisco adopt a balanced budget each year. The City's Charter, Section 6.203 states that not later than June first of each year, the Mayor shall transmit to the Board of Supervisors the consolidated budget estimates for all departments and the proposed budget for the City and County for the ensuing fiscal year, including a detailed estimate of all revenues for each department and an estimate of the amount required to meet bond interest, redemption and other fixed charges of the City and County and the applicable revenues. At the same time, the Mayor is also required to submit to the Board of Supervisors a draft of the Annual Appropriation Ordinance for the ensuing fiscal year, which is prepared by the Controller.

According to Mr. Burk Delventhal of the City Attorney's Office, the Mayor is required to submit a balanced budget to the Board of Supervisors. Mr. Delventhal acknowledges however that the Mayor's proposed budget may include anticipated revenues that have yet to be adopted by the Board of Supervisors. For example, during the fiscal year 1991-92 budget, the Mayor submitted a proposed budget that included increases in the City's parking tax from 20 to 25 percent and increases in the MUNI Fast Pass, the projected revenues from which would balance the proposed expenditures. The Board of Supervisors had not yet adopted these revenue measures as of June, 1991 when the Mayor submitted his recommended budget to the Board of Supervisors.

In preparation for an anticipated shortfall in the 1992-93 budget, Ms. Teresa Serata of the Mayor's Office reports that initially the Mayor's Office requested that each department submit a reduced 10 percent proposed budget for fiscal year 1992-93. However, given the recent \$139.2 to \$148.2 million shortfall projected, the Mayor's Office has now requested that each department and commission review and resubmit their proposed 1992-93 budgets to the Mayor's Office, to include an additional 8 percent reduction. Because many of the departments under the Chief Administrative Officer (CAO) are so small, the Mayor's Office has requested an additional collective 8 percent reduction from all of the CAO's departments, rather than individually. In addition, specific reductions of \$20 million each from the Municipal Railway (MUNI) and the Health Department were requested in lieu of an additional 8 percent reduction. According to Ms. Serata, the various City departments are currently working on these additional reductions, and such changes should be approved by each of the City commissions.

According to Ms. Serata, in addition to expenditure reductions, departments are being encouraged by the Mayor's Office to include additional potential revenues that could be used to offset the additional 8 percent reduction.

The Mayor's Office has outlined the following anticipated budget schedule. The Mayor's budget staff are presently finalizing each department's budget. This includes additional revenue ideas and enhancements for these departments. Ms. Jean Mariani of the Mayor's Office anticipates submitting the proposed departmental budgets to the Controller's Office on May 18, for reconciliation of individual department's numbers and the overall budget. According to Ms. Mariani, a draft final budget would then be submitted to the printer on approximately May 26 and initial copies of the Mayor's 1992-93 budget should be available by approximately May 27. As has been the practice in prior years, the Mayor's Office could provide a confidential copy of the Mayor's budget to the Budget Analyst's Office once copies were available from the printer, although complete budget information, including necessary detail and back-up materials would not be available until June 1, 1992.

The Finance Committee inquired on April 8, 1992 and again on April 15, 1992 regarding the ability of the Board of Supervisors to receive the 1992-93 budget prior to the June 1, 1992 deadline as required by the Charter, or if that is not possible, to receive preliminary budget data or alternative budgetary scenarios prior to the June 1, 1992 deadline. On April 22, 1992, the Mayor presented a letter to the members of the Finance Committee providing advance information about the FY 1992-93 budget, which the Mayor's Office is currently reviewing. This letter summarizes the budget process, meetings, explains the differences among the various department's budget targets, SB 855 services, etc. In addition, various attachments to this letter highlight specific expenditure reductions, revenue increases and departmental targets for the larger City departments.

On April 22, 1992, the Finance Committee also requested additional information regarding which policies and priorities were being assigned to various City programs and services, in terms of developing the FY 1992-93 budget. In reviewing individual City department budgets, Ms. Foley indicated that the Mayor's Office is attempting to balance departmental revenue ideas with service reductions, with a goal of minimizing the impact on services to the public. However, Ms. Foley cautioned that the current administration's position that no new general tax increases will be imposed, in conjunction with the required costs of Salary Standardization and numerous Memorandum of Understanding (MOUs), consent decrees and other prior agreements, significantly limit the flexibility of the Mayor's Office in terms of which items and programs can be reduced in the FY 1992-93 budget. According to Ms. Foley, the Mayor's Office requested that each Department prioritize their budgeted programs and services according to a hierarchy of the most important to the least important, when submitting their FY 1992-93 departmental budget requests. Ms. Foley reported that most departments have submitted prioritized budgets with various options, and that the Mayor's budget staff has reviewed these individual departmental priorities as part of the Mayor's budget review.

Ms. Serata reports that the FY 1992-93 budget will identify all Proposition J - Children's Amendment Services according to whether these services are existing (baseline) or new programs and services. In addition, according to Ms. Serata, the Mayor's budget staff is presently compiling the number of layoffs by department that are anticipated to be included in the FY 1992-93 budget.

Mr. Ed Harrington of the Controller's Office reports that according to Section 6.306 of the Charter and based on discussions with the City Attorney, the Controller is not required to certify the revenues contained in the Annual Appropriation Ordinance (annual budget). As required by Section 6.301 of the Charter, the Controller is responsible for periodically preparing revenue projections and if the Controller's revenue projections indicate a shortfall of revenues, the Controller has the authority to limit expenditures by City departments to the extent of the revenues being projected. According to Mr. Harrington, as historically has occurred, he anticipates that there will be agreement between the Controller and the Mayor's Office regarding the revenue estimates for FY 1992-93.

Mr. Harrington advises that the Controller's Office has had some discussions with the Mayor's staff and consulted with local leading economists on the projected major revenues (e.g., property taxes, sales taxes, motor vehicle in lieu and business taxes) for FY 1992-93. As of the writing of this report, the Controller, the Mayor's Director of Finance and the Budget Analyst are discussing the projected revenues and considering possible updates to the projections contained in their March 31, 1992 Joint Report.





Item 3 - File 172-92-9

**Department:** Real Estate  
Department of City Planning

**Item:** Ordinance authorizing the Cirque Du Soleil to use City-owned property; and to adopt findings pursuant to City Planning Code Section 101.1.

**Description:** The proposed ordinance would authorize Les Productions Du Cirque Du Soleil to use City property between Fourth and Fifth Streets, south of King Street (Lot 3, Block 3796) which is approximately 68,063 square feet, for a circus production between June 15, 1992 and August 21, 1992.

The Department of City Planning has found that the proposed use of City property is in conformity with the Master Plan and consistent with the eight priority policies of City Planning Code Section 101.1.

- Comments:**
1. The City would receive a permit fee of \$12,300 for use of the proposed City property from June 15, 1992 through August 21, 1992. In addition, the proposed permit would hold the City and its employees harmless from any liability, damage, or loss arising out of the use of the property. In addition, the proposed permit includes an insurance policy for \$5 million for comprehensive general liability insurance. The insurance policy would be paid for by Cirque Du Soleil.
  2. According to Mr. Larry Ritter of the Real Estate Department, the City property which the proposed ordinance would apply to is located within the Mission Bay project area. The City property, which is vacant land, is located on Assessor's Lot 3, Block 3796. In addition to the approximate 68,063 square feet which the City would authorize, Catellus, the developer of the Mission Bay project area, is also authorizing approximately 130,000 square feet for the Cirque Du Soleil to be used for parking. Mr. Ritter reports that the Cirque Du Soleil would not delay the development of the Mission Bay project area.
  3. Mr. Ritter reports that in previous years, the Cirque Du Soleil held performances at the same location in the Mission Bay project area, however, Catellus previously owned the property. This property was transferred to the City under various land transfer agreements provided for in the Mission Bay Development Agreement, and approved by the Board of Supervisors in January, 1992. Therefore, the Cirque Du Soleil did not previously request authorization to use City property.

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4. As noted, the Cirque Du Soleil would pay the City \$12,300 for the use of the property, which is approximately 18 cents per square foot for the 68,063 square feet of City property, amortized from June 15, 1992 through August 21, 1992. According to Mr. Ritter, the permit fees which the City would receive represents the fair market value for the use of the property. Mr. Ritter reports that for existing parking facilities in the Mission Bay project area, which Catellus owns, Catellus would receive approximately 10 cents per square foot.

**Recommendation:** Approve the proposed resolution.

Item 4 - File 128-92-1

**Note:** This item was transferred from the Special City Services Committee meeting on April 28, 1992, because it was determined to have fiscal impact, and continued from the May 6, 1992 Finance Committee Meeting.

1. The proposed ordinance would amend Part II, Chapter 5 (Health Code) of the San Francisco Municipal Code by repealing Article 21 and adding new Article 21 to (a) conform hazardous materials regulations to Federal and State laws regulating underground storage tanks and the handling of hazardous materials by business establishments, (b) impose additional stricter local requirements in accordance with California Health and Safety Code Sections 25299.2 and 25500, and (c) incorporate by reference Article 11.9 of Chapter 6.5, Chapter 6.7, Chapter 6.75, and Chapter 6.95 of Division 20 of California Health and Safety Code, Section 1910.1200 of Title 29, Appendix A of Part 355 of Title 40, Section 370.2 of Title 40, and Section 72.3 of Title 42 of the Code of Federal Regulations; and Section 12000 of Title 22 of the Code of California Regulations.

2. According to Ms. Sue Cone of the Department of Public Health (DPH), existing City regulations require the DPH to issue a permit to any business that stores hazardous materials. In order to be permitted, a business must submit an application, including an inventory of all hazardous materials stored by the business, and be inspected by the DPH's Hazardous Materials Division. Yearly follow-up inspections are also required. Within the Hazardous Materials Division, inventories of hazardous materials must be classified and entered into a database. Ms. Cone advises that classification of hazardous materials is complicated because four to five pages of technical data must be reviewed and evaluated for each inventoried material in order to determine its hazard classification.

3. Ms. Cone advises that an estimated 10,000 San Francisco businesses store hazardous materials. Because the permitting process is difficult and time consuming, and because the DPH Hazardous Materials Division does not have sufficient resources to carry out the permit process for these 10,000 businesses, only 500 businesses are permitted. Ms. Cone reports that several hundred unprocessed applications have been submitted. Those businesses whose applications are pending, and those that have never submitted applications, Ms. Cone advises, are storing hazardous materials without any oversight.

4. The proposed ordinance would reorganize the hazardous materials oversight process so that all businesses storing hazardous materials would be required to register rather than be permitted. The proposed biennial registration process would be simpler than the current permit process. To register, a business would pay a fee, complete a registration form listing the type of hazardous chemicals it stores, and develop a facility emergency response and training plan. Businesses would be required to demarcate any acutely hazardous materials which they store, as established in the State Health and Safety Code. Those businesses that do not store acutely hazardous materials would be inspected every three years rather than yearly. Businesses that store less than 55 gallons of hazardous liquids, 200 cubic feet of compressed gas, or 500 pounds of hazardous solids would not be required to register, Mr. Tsutsui reports. Thus, businesses

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that store small quantities of hazardous materials, such as doctors' and dentists' offices with small quantities of mercury, would be exempt from registering. Compressed gas, whether it is toxic or not, is considered to be a safety hazard since such gas can become a powerful projectile when hot, Mr. Tsutsui advises.

Currently, most businesses have not received permits because of the limited resources of the Hazardous Materials Division, Ms. Tsutsui advises. Such businesses are therefore not in compliance with the law, which requires businesses storing hazardous materials to be permitted. The proposed ordinance would replace the requirement that each San Francisco business storing hazardous materials be permitted with the requirement that each business storing hazardous materials be registered. Those businesses that have avoided paying the permit fee in the past would be required to pay the registration fees.

The more rigorous permit process would be restricted to those estimated 200 to 500 businesses storing acutely hazardous materials. Such businesses would follow the registration process, including paying the registration fee and reporting that they store acutely hazardous materials. Businesses that report storing acutely hazardous materials would then be inspected, and their registration fee would be applied to the permit fee.

According to Mr. Tsutsui, currently, to be permitted, a business storing any type of hazardous material pays a \$300 initial filing fee the first year of permitting, and a \$100 filing fee each ensuing year, plus a \$75 to \$2,100 permit fee, based on the amount and type of hazardous materials a business stores. Under the proposed ordinance, a business storing acutely hazardous materials would pay \$285 to \$4,025 annually for a permit (based on standards defined by Federal law), with no filing fee. Thus, businesses storing acutely hazardous materials might pay double their current fee under the proposed ordinance. However, Mr. Tsutsui advises that a typical small or medium sized business is likely to pay approximately the same amount under the proposed ordinance as under the current ordinance because of the structure of the fee schedule. For example, under the current ordinance, a medium-sized plate manufacturer which stores sodium cyanide might pay \$1,050 annually for a permit plus \$300 the first year and \$100 thereafter in filing fees. Under the proposed ordinance, the same business would pay a \$1,135 annual permit fee and no filing fee, or \$215 less the first year and \$15 less for ensuing years.

Mr. Tsutsui reports that under the proposed ordinance, only businesses that store acutely hazardous materials, which are more expensive to process, would pay the permit fees. Businesses that do not store acutely hazardous materials would be legally obligated to pay only a registration fee, which is less than the current permit and filing fees that they are legally obligated to pay. (The processing fee for registration would be \$340 biennially, plus a biennial "quantity fee" of \$34 to \$1,530, depending on the volume of hazardous materials a business stores, Mr. Tsutsui advises. For more information regarding permit and registration fees, see Comments 9, 10 and 11.)

5. According to Mr. Tsutsui, the proposed registration process would require fewer Hazardous Materials Division resources per business, and

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therefore allow the Division to process more businesses, because (1) inspections for businesses that do not store hazardous materials could be done every three years rather than every year; and (2) hazard classification of business inventories would be required for considerably fewer businesses.

6. Ms. Cone reports that neither State nor Federal law requires that businesses storing hazardous materials be permitted and inspected yearly. Rather, State law requires that, at a minimum, such businesses submit specific information and be inspected every three years, Ms. Cone advises. These requirements are similar to the proposed registration process, so that the proposed registration process would be in conformance with Federal and State laws.

7. The proposed ordinance would continue to incorporate an ordinance approved by the Board of Supervisors in May of 1991 (File Number 118-91-2), which requires that some substances be disclosed which are not required to be disclosed under State or Federal law, and that hazardous materials reduction plans be developed.

8. An estimated 10,000 businesses store hazardous materials and would therefore need to register. The Hazardous Materials Division would anticipate registering 1,500 new businesses each year for the first six years of the program, and 1,000 new businesses the seventh year. Beginning the third year, businesses that are already registered would renew their registration every two years. Thus, after seven years, the 10,000 businesses storing hazardous materials would all be registered. The anticipated registration pattern from 1992-93 through 1998-99, or seven years, is as follows:

<u>Fiscal Year</u>	<u>New Registrations</u>	<u>Reregistrations</u>	<u>First Registered</u>	<u>Yearly Total</u>	<u>Cumulative Total of New Registrations</u>
1992-93	1,500	0	not applicable	1,500	1,500
1993-94	1,500	0	not applicable	1,500	3,000
1994-95	1,500	1,500	1991-92	3,000	4,500
1995-96	1,500	1,500	1992-93	3,000	6,000
1996-97	1,500	3,000	1992-93; 1994-95	4,500	7,500
1997-98	1,500	3,000	1993-94; 1995-96	4,500	9,000
1998-99	1,000	4,500	1992-93; 1994-95; 1996-97	5,500	10,000

9. The processing fee for registration would be \$340 biennially, plus a biennial "quantity fee" of \$34 to \$1,530, depending on the volume of hazardous materials a business stores, Mr. Tsutsui advises. The Division anticipates that

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most businesses would pay biennial quantity fees between \$34 and \$510. Thus, most businesses would pay from \$374 to \$850 every two years. Mr. Tsutsui advises that the fee schedule was determined based on the number of staff hours and other resources required for the registration process. A comparison with 19 California counties, including nine Bay Area counties, indicates that the proposed fees are among the lowest fees charged by most of the 19 counties. Mr. Tsutsui reports that despite the lower fees, the DPH's Hazardous Materials Division would provide services that many of the 19 California counties do not provide, such as site inspections and consultations regarding compliance with various other laws and regulations.

10. Underground tanks store hazardous materials, particularly petrol, in buried metal or fiberglass tanks. Such tanks can corrode over time and leak hazardous materials into the groundwater. However, State and Federal law does not require that oversight of underground tanks be included as part of hazardous material disclosure requirements. The proposed ordinance would incorporate underground tanks as part of the registration process. Rather than paying a fee based on the quantity of materials stored, as other businesses would, a biennial registration fee of \$170 per site would be charged for underground tanks in addition to the \$340 processing fee. In addition, underground tanks would be required to obtain an operating permit each year, at a cost of \$85 per tank. If a business removed or modified its underground storage tank, it would require a modification permit, at a cost of \$363.

The original title of the proposed ordinance read " . . . regulating underground storage tanks and the handling of hazardous materials by business establishments." Ms. Cone reports that underground storage tanks are a subset of hazardous materials. Therefore, the title of the proposed ordinance was amended by the City Services Committee at its April 28, 1992 Special City Services Committee meeting to read " . . . regulating the handling of hazardous materials, including underground storage tanks, by business establishments."

11. The Hazardous Materials Division currently anticipates that revenues generated by the proposed program would entirely support the Hazardous Materials Division, and may generate revenues beyond current costs in future years. If revenues exceeded costs, Division staff would decide whether fees should be reduced or services increased, Mr. Tsutsui advises. The Hazardous Materials Division anticipates revenue from businesses equaling \$1.2 million from the proposed registration program for Fiscal Year 1992-93, as follows:



Memo to Finance Committee  
May 20, 1992

Activity	Average Amount	Anticipated Number	Total
Registration Processing Fee*	\$340	1,500	\$510,000
Registration Quantity Fee*	306	1,225	374,850
Registration Fee for Underground Tanks*	170	275	46,750
Underground Tank Operating Permit	85 (per tank)	1,200	102,000
Underground Tank Modification Permit	363	156	56,628
Inspections	85 (per hour)	400	34,000
Permits	550	100	55,000
Permit Renewals	600	50	<u>30,000</u>

**TOTAL ESTIMATED REVENUE**

**\$1,209,228**

\*Per business biennial fees. However, at least 1,500 businesses are anticipated to register each year, so that total revenues are anticipated to be at least \$1,209,228 annually.

In addition, the Hazardous Materials Division may generate revenues from consulting fees with private environmental firms, through penalty assessments for non-compliance, through work orders from other City departments, and through income from UCSF if UCSF requests a dedicated Hazardous Materials Division staff member to oversee the registration and permitting of its facilities.

The \$1.2 million anticipated revenues would cover all of the operating expenses for the Hazardous Materials Division for 1992-93. The current budget for the Hazardous Materials Division is approximately \$1.104 million. The proposed program would generate approximately the same revenues in Fiscal Year 1993-94. During the third year of the program, when the total number of businesses registering exceeds the 1,500 anticipated for 1992-93 and 1993-94, revenues generated by the program could exceed the operating expenses of the Hazardous Materials Division.

12. As noted above, if program revenues exceed the costs for operating the Hazardous Materials Division, Mr. Tsutsui advises that either registration fees would be reduced or services would be increased. According to Mr. Tsutsui, at current budgeted staff levels, the Hazardous Materials Division would most likely be unable to implement fully the proposed ordinance, which requires that registered businesses be inspected every three years, per State requirements. If the proposed registration program increases Hazardous Materials Division's revenue above their currently budgeted costs, resources would probably be used for inspections, Mr. Tsutsui advises. However, based on the anticipated number of annual registrations, the Budget Analyst estimates that revenues in the third and fourth years would be approximately \$2,418,456, double the \$1.2 million currently included in the DPH's budget for the Hazardous Materials Division, and would increase every other year until the seventh year, when the total revenues are projected to be \$8,061,520, or approximately 6.7 times the amount currently included in the DPH's proposed 1992-93 budget for the Hazardous Materials Division. Although any increase in the Hazardous Materials Division's annual budget would require authorization by the Board of Supervisors as part of the annual budget hearings, the proposed ordinance would not require that the Hazardous Materials Division receive authorization from the Board of

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Supervisors before expanding its program or reducing its fees. Therefore, the proposed ordinance should be amended to require that the Hazardous Materials Division report back to the Board of Supervisors in three years regarding the program and require separate authorization from the Board of Supervisors before expanding its program or reducing its registration fees.

13. Mr. Tsutsui advises that the proposed registration program would be evaluated by the Hazardous Materials Division on a quarterly basis. The evaluation would review the registration program's progress based on work plans and revenue projections. Specifically, the Division would review the number of permits issued, the number of completed registrations, and the revenue from enforcement, permitting, and registration. According to Ms. Cone, the Division is currently computerizing its permit process using the City-wide standard Oracle database management program. The proposed registration program would use the same computer system, Ms. Cone advises. Ms. Cone further advises that the Hazardous Materials Division anticipates that the quarterly evaluation would be fairly simple with the use of the Oracle database. If revenues at the time of these quarterly evaluations do not meet projections, the Hazardous Materials Division staff, in conjunction with the Director of the Bureau of Toxics, contingent upon approval by DPH administration, would either increase recruitment of businesses that need to register, or divert resources, for example, from inspections, into more significant revenue generating activities as necessary.

14. In summary, the reasons that the Hazardous Materials Division is proposing to replace the existing process where every business storing hazardous materials would need to be permitted, with a program where every business storing hazardous materials would need to register and only those storing acutely hazardous materials would need to be permitted, are as follows: (1) the Hazardous Materials Division lacks sufficient staff resources to inspect and classify hazardous materials to issue permits to the estimated 10,000 businesses in San Francisco storing hazardous materials; (2) the proposed registration program would provide equity in the levels of business compliance, and the volume of information would enable the Hazardous Materials Division to enhance current ranking systems and effectively prioritize inspection and permitting operations based on relative risk; (3) registration would be more consistent with State and Federal law, since it would provide some oversight for all businesses storing hazardous materials, rather than close oversight for 500 such businesses and little or no oversight for the remaining businesses; (4) the proposed registration program would bring in sufficient revenues to cover the entire budget for the Hazardous Materials Division on an on-going basis. In addition, the proposed registration program would allow the Hazardous Materials Division to support public disclosure and emergency response, because it would provide inventories and classifications of all hazardous materials stored by businesses in San Francisco. The proposed registration program would be monitored quarterly, based on work plans and revenue projections, to evaluate its progress.

15. On April 28, 1992, the City Services Committee recommended approval of the proposed ordinance. As noted above, this ordinance was transferred to the Finance Committee as it was determined to have a fiscal impact on the City.

**Recommendations**

The proposed ordinance should be amended to require that the Hazardous Materials Division report back to the Board of Supervisors in three years regarding the program and require separate authorization from the Board of Supervisors before expanding its program or reducing its registration fees.

Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

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Items 5 and 6 - Files 166-92-2 and 166-92-3

**Department:** Tax Collector

**Items:** Resolution authorizing the Tax Collector to charge a \$20 fee to defray the cost of mailing copies of the list containing all tax defaulted real estate parcels which are included in the impending sale of tax defaulted real estate (File 166-92-2).

Resolution authorizing the Tax Collector to sell at public auction certain parcels of tax-defaulted real property (File 166-92-3).

**Description:** According to State law, all real property must be publicly auctioned within two years after five years of a tax default. In other words, if a property owner does not pay his or her property taxes for one year, for example, 1985, he or she is considered to be in tax default. The property owner then has five years, in our example, from 1986 to 1991, during which he or she may repay the defaulted tax amount. If the amount is not repaid in total within the five year deadline, the property must be sold by the City at public auction within two years, or by 1993 in our example. In order to conduct such an auction, the Tax Collector must receive authorization from the Board of Supervisors and the State Controller's Office, Mr. Richard Sullivan of the Tax Collector advises. The proposed resolution (File 166-92-3) would authorize the Tax Collector to sell certain tax-defaulted properties.

As part of the process of conducting a public auction of tax-defaulted properties, the Tax Collector mails copies of the list containing all tax-defaulted real estate parcels to be auctioned to any interested party who requests it. According to the Tax Collector, the process of preparing, copying and mailing these lists has a cost of approximately \$20 per list. Therefore, the proposed resolution would authorize the Tax Collector to recover costs by charging a \$20 fee for each list mailed (File 166-92-2).

**Comments:** 1. Mr. Bill Gatt of the Tax Collector's Office advises that approximately 119 properties would be offered at the proposed auction. According to Mr. Sullivan, the last public auction of tax-defaulted improved property occurred in 1988.

2. The proposed auction would sell improved property or vacant lots, Mr. Sullivan reports. Mr. Sullivan further reports that tax-defaulted property of non-buildable strips of land are offered to contiguous property owners in a Seal Bid Auction. Mr. Sullivan advises that such an auction will take place June 26, 1992. According to Mr. Sullivan, property that

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is buildable, improved, or has no contiguous property owners must be offered in a public auction such as the proposed public auction.

3. Mr. Sullivan advises that the minimum required bid for the proposed public auction would be 25 percent of the market value of the property. Each property must have been appraised within the past year, Mr. Sullivan reports. Mr. Gatt advises that the amount of the tax default and reimbursement for administrative costs would be credited to the Tax Collector upon sale of the property. Any remaining revenues from the sale would revert to the owner of the property, or to other parties of interest if, for example, there is a lien on the property (File 166-92-3).

4. According to Mr. Gatt, after the Board of Supervisors has approved the proposed resolution, first, the State Controller's Office would approve the proposed auction, second, the list of properties would be distributed to interested parties while at the same time the auction would be advertised once a week for three consecutive weeks in a publication generally available, and finally, the auction would be held. Mr. Gatt anticipates that the auction would take place two months after approval by the Board of Supervisors (File 166-92-3).

5. Mr. Gatt estimates that no more than 300 interested parties are anticipated to request a list of properties to be included in the auction. Therefore, the maximum amount of estimated costs to be recovered by charging \$20 per list mailed would be \$6,000. The Tax Collector advises that various California counties charge from \$10 to \$100 for providing such lists (File 166-92-2).

6. Mr. Gatt advises that the Tax Collector is required to notify property owners with tax defaults by certified mail that they are required to pay property taxes or their property will be sold at auction. Also, a representative of the Tax Collector is required to visit the property in person before a sale can go forward, Mr. Gatt reports. Property owners have the option to repay the tax default until the close of business on the day prior to the proposed auction (File 166-92-3).

7. A copy of the list of properties to be auctioned is in the file.

**Recommendation:** Approve the proposed resolutions (Files 166-92-2 and 166-92-3).

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Items 7 and 8 - Files 97-92-28 and 97-92-29

1. The proposed ordinance (File 97-92-28) would amend Sections 16.904, 16.905 and 16.93 of the San Francisco Administrative Code, voluntary employee benefits, cafeteria plan benefits and organizations for which deductions can be made to reflect changes made in implementing an employer-paid dental program.

2. The proposed ordinance (File 97-92-29) would amend Section 16.157 of the Administrative Code to approve the City's FY 1992-93 Health Service System plans and rates of contribution as adopted by the Health Service Board to be paid by the members of the system. The members of the system are comprised of employees, retirees, and the surviving spouses of employees and retirees of the City and County of San Francisco, the San Francisco Unified School District and the Community College District.

3. The Board of Supervisors previously adopted a resolution setting the City's contribution to the Health Service Fund for FY 1992-93 at \$163.27 per month for each member. The City's contribution was established in accordance with Charter Sections 8.423 and 8.428, which set the average contribution rate based on a survey of the ten most populous counties in California. The City's contribution of \$163.27 per month (\$1,959.24 per year) represents an increase of 54¢ per month, or less than one percent over the FY 1991-92 rate of \$162.73 per month (\$1,952.76 per year).

4. Once the City's contribution is established, member contributions are calculated by the Health Service System actuary, Rael and Letson, Consulting Actuaries in order to ensure that contributions from all sources will be adequate to support anticipated claims for the upcoming fiscal year. The proposed ordinance would establish member contribution rates for FY 1992-93 pursuant to Charter Sections 8.421 and 8.422. Charter Sections 8.421 and 8.422 require approval by three-fourths of the members of the Board of Supervisors after the Board has secured an actuarial report of the costs and effects of any proposed change in the benefits of the Health Service System or rates of contribution. Contribution rates vary according to: (1) whether or not a member is an active employee, retired employee, or surviving spouse; (2) whether or not that individual has Medicare coverage; and (3) which of the City's six health plans that individual elects to join. The actuarial report and details of the member contribution rates are contained in the Clerk's file.

5. Six plans will be offered in the 1992-93 fiscal year. The plans are:

- City Health Plan\*
- Kaiser Foundation
- Bridgeway
- Aetna Health Plans of Northern California  
(formerly Bay Pacific)
- Qual-Med California (formerly Heals)
- Foundation Health Plan

\*Administered by the Health Service System.

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6. The total revenue generated from employer and member contributions for the health plans in 1992-93 is estimated to be \$142.6 million. A summary of the revenue sources is as follows:

	<u>Amount</u> <u>(Millions)</u>	<u>Percent</u> <u>of Total</u> <u>Contributions</u>
City and County Contribution		
- Current Employees	\$56.9	39.9
- Retired Employees and Surviving Spouses	20.7	14.5
School District/Community College District Contribution		
- Current Employees	16.5	11.6
- Retired Employees and Surviving Spouses	<u>7.4</u>	<u>5.2</u>
Total Employer Contributions	\$ 101.5	71.2
Employee Contributions	<u>41.1</u>	<u>28.8</u>
Total Contributions	\$142.6	100.0

7. Of the total estimated employer contributions of \$101.5 million, approximately \$49,329,000, or approximately 48.6 percent, would be contributed from the City's General Fund. The remaining \$52.17 million of employer contributions would be paid from the City's Special Funds (e.g., Airport, Port, Water Department and Hetch Hetchy) and from School District and Community College District revenue sources.

8. The employee contribution rates for health benefits for fiscal year 1992-93 generally reflect an increase in employee contribution costs. According to the Health Service System, this is because the increase in employer contributions of 54¢ per employee per month, which was established based on a survey of average contribution rates for the ten most populous counties in California, is very slight. Therefore, increased medical costs must be supported by increased employee contributions and decreased benefits in some health plans. The cost changes to employees range from a reduction of \$15.73 per month (\$188.76 annually) to an increase of \$51.61 per month (\$619.32 annually). A comparison of the FY 1991-92 monthly rates for active and retired City employees with the proposed FY 1992-93 rates adopted by the Health Service Board and the monthly difference in costs are as follows:

	1991-92 Monthly Rates	1992-93 Monthly Rates	Monthly Difference
<u>City Health Plan</u>			
Single Employee	\$38.06	\$38.00	\$ (.06)
Employee plus one dependent	172.03	200.00	27.97
Employee plus two dependents	259.09	305.00	45.91
<u>Kaiser Foundation Health Plan</u>			
Single Employee	0	10.18	10.18
Employee plus one dependent	158.89	174.17	15.28
Employee plus two dependents	234.10	285.71	51.61
<u>Bridgeway Health Plan</u>			
Single Employee	0	9.61	9.61
Employee plus one dependent	152.98	161.60	8.62
Employee plus two dependents	224.04	271.56	47.52
<u>Aetna Health Plans of California</u>			
Single Employee	0	10.53	10.53
Employee plus one dependent	174.86	173.88	(.98)
Employee plus two dependents	239.92	268.42	28.50
<u>Qual-Med California</u>			
Single Employee	0	5.00	5.00
Employee plus one dependent	176.63	160.90	(15.73)
Employee plus two dependents	236.38	245.04	8.66
<u>Foundation Health Plan</u>			
Single Employee	0	7.35	7.35
Employee plus one dependent	163.05	162.07	(.98)
Employee plus two dependents	246.28	274.78	28.50

Decreased benefits include, but are not limited to, an increase in the annual deductible for the City Health Plan from \$175 to \$250, an increase from no charge to \$5 for physicians' visits for the Bridgeway Plan, and an increase from no charge to \$5 for physicians' visits and an increase in prescription drugs from \$3 to \$5 in the Kaiser Plan. For more information on benefit changes, see attached.

9. The total estimated cost of \$142.6 million for the various health plans for FY 1992-93 includes the employer and employee contributions and represents an average increase of approximately 9 percent over the FY 1991-92 costs of \$130.8 million. The projected total premium contributions (in millions) based on current plan membership for the six health plans (assumes all current members continue to subscribe to the same health plans in 1992-93) are as follows:

	<u>1991-92 Projected Premiums</u>	<u>1992-93 Projected Premiums</u>	<u>Percentage Increase</u>
City Health Plan	\$38.6	\$46.8	21.2
Kaiser Foundation Health Plan	59.8	62.3	4.2
Bridgeway Health Plan	17.7	18.6	5.1
Aetna Health Plans of California	9.7	10.1	4.1
Qual-Med California	4.8	4.6	(4.2)
Foundation Health Plan	<u>.2</u>	<u>.2</u>	--
Total	\$130.8	\$142.6	9.0

10. In November 1991, the voters approved a measure (Proposition B) which provides employer-supported dental care benefits to City employees. Currently, most City employees may participate only in employee-paid dental plans. Mr. Randall Smith of the Health Service System advises that previously, only the following City, Unified School District (SFUSD), and Community College District (SFCCD) employees received employer-paid dental benefits: (a) all permanent classified and almost all certificated teachers at SFUSD and SFCCD; (b) all nurses; and (c) all full-time transit operators employed by the Municipal Railway. As a result of Proposition B, Mr. Smith advises, at least 19,000 additional employees are anticipated to be eligible for employer-supported dental care benefits.

Mr. Smith reports that two types of dental plans are to be made available to employees. The first type is an indemnity plan, where employees may select any dentist and the dentist will be paid for the dental services based on a set schedule of benefits. Employees under this plan are responsible for a portion of their dental care, such as 50 percent for dentures or 20 percent for fillings. The second type is a pre-paid plan, where employees must select from a limited number of dentists enrolled in the plan. Under the pre-paid plan, employees are responsible for few or no co-payments for their dental work.

According to Mr. Smith, the Employee Relations Division negotiated with the unions regarding the implementation of Proposition B. ERD and the unions agreed to guarantee employees an indemnity dental plan for which the City would pay up to \$65 per month per employee. This \$65 per month would be a composite payment, in other words, the amount would be the same regardless of whether or not an employee had dependents.

Mr. Smith advises that the Health Service Board was given responsibility for selecting a vendor that would provide an indemnity plan at a composite amount of \$65 per month per employee. The Health Service Board selected Delta Dental as the vendor, based on a Request for Proposals. According to Mr. Smith, the Health System has reserved the right to pay Delta Dental either on a composite basis, at \$65 per month per employee regardless of the number of dependents, or on a three-tiered basis. Delta Dental's three-tiered rates are as follows:



1992-93  
Monthly  
Rates

City Health Plan

Single Employee	\$29.84
Employee plus one dependent	55.05
Employee plus two dependents	88.51

The Health Service System is currently beginning an open enrollment period for dental benefits. Mr. Smith reports that based on the number of employees and dependents who enroll in the various programs, the Health Service System will select the least costly method of payment for the City.

In addition to the indemnity plan, the Health Service System has elected to offer employees two pre-paid plans, DentiCare Dental Plan and Safeguard Dental Plan. The rates for DentiCare Dental Plan and Safeguard Dental Plan are as follows:

DentiCare Dental Plan

Single Employee	\$ 16.25
Employee plus one dependent	21.95
Employee plus two dependents	32.50

Safeguard Dental Plan

Single Employee	13.74
Employee plus one dependent	21.20
Employee plus two dependents	31.98

These two pre-paid programs are less than half the price of the indemnity program through Delta Dental. Thus, for every employee who participates in one of these programs, the City's costs would be reduced. Although employees who select a pre-paid program would be restricted to those dentists enrolled in the program, employees who select the pre-paid program would be required to pay little or no portion of their dental care costs, as they would under Delta Dental.

Mr. Smith reports that the Health Service System anticipates that nearly every employee eligible to receive dental care benefits will enroll in the program. The total cost to the City of providing these dental plans will be dependent on the number of employees who elect to enroll in each plan, and on the number of dependents of those employees. However, the Budget Analyst estimates, based on a minimum of 19,000 newly eligible employees, that the cost would most likely range from a minimum of \$12,859,200 annually, based on 20 percent of 19,000 employees enrolling in pre-paid plans at a cost of \$22 per month per employee with one dependent (\$1,003,200 per year) and 80 percent of 19,000 employees enrolling in the indemnity program at a maximum of \$65 per month (\$11,856,000), to a maximum of \$14,820,000 annually, if 19,000 employees become eligible and each employee elects to enroll in the indemnity plan at a cost of \$65 per employee per month for twelve months. The Controller advises that funds for the dental plan have been included in the Mayor's recommended FY 1992-93 budget.

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11. The proposed ordinance (File 97-92-28) would simplify Sections 16.904, 16.905 and 16.93 of the Administrative Code by removing the specific names of health care plans offered by the City and replacing those specific names with generic phrases. For example, Section 16.904 would be amended to remove the words "Colonial Life and Accident Insurance Company Indemnity Dental Plan, DentiCare Prepaid Dental Plan and Colonial Life and Accident Insurance Company Disability Plan, and Dependent Care Assistance Program to be administered by Benefit America, Inc.," with the words "those plans which have been adopted by the Health Service Board and approved by the Board of Supervisors." If the proposed ordinance is approved, Mr. Smith advises, the Health Service System would not be required to amend those sections of the Administrative Code each time a plan was added, deleted or changed. Instead, only Section 16.157 of the Administrative Code would need to be amended, which relates to the Health Service System plans and actual rates of contribution. The proposed ordinance would not diminish the oversight of either the Board of Supervisors or the Health Service Board, according to Mr. Smith. These changes are proposed pursuant to the recommendations of the City Attorney, Mr. Smith reports.

The proposed ordinance (File 97-92-28) would also update the Administrative Code to reflect the changes in the dental benefit program pursuant to Proposition B. No changes would be made in regard to the cafeteria plan, which has been in effect since December 1988 and allows employees to take pre-tax deductions for a disability program, employee health care contributions, child and elder care. The cafeteria plan incurs no costs to the City, and in fact saves the City monies which would be required for social security matching dollars.

**Recommendation:** Approve the proposed ordinances.

**HEALTH PLAN**  
**RATE AND BENEFIT CHANGES**

**CITY HEALTH PLAN**

**Contribution Rates**

The overall rate increase of the plan is approximately 21.2%, which based on current membership will increase annual premiums from \$38.6 million currently to \$46.8 million in 1992-93.

**Proposed Benefit Changes**

**Preferred Provider Plan Benefit Changes**

- \* No Benefit Changes.

**Standard Plan Benefit Changes**

- \* All covered services paid at 70% of usual and reasonable charges after a \$250 deductible is satisfied. (Current coverage is at 80% with a \$175 deductible).

Exceptions to above coverage:

Inpatient hospital bills incurred in a hospital outside the Preferred Provider service area and by a member residing outside the PPO service area would be paid at 80%.

Inpatient hospital bills incurred in a hospital within the PPO service area would be paid at 50% with the exception of emergency admissions to be paid at 80%. The benefit for emergency admission is reduced to 50% coverage once the patient's condition has stabilized and it is medically determined that a transfer to a contract Preferred Provider Hospital can be made.

- \* Special Surgery benefit will be covered at 70% of usual and customary charge (currently covered at 100%).
- \* Dental services related to an injury or treatment/removal of tumors of the gums are covered at 70% (This is a reduction in covered dental services and benefit copayment).
- \* Vision examination and lense replacement every 24 months (currently every 12 months).
- \* Acupuncture benefit eliminated.

## **KAISER FOUNDATION HEALTH PLAN**

### **Contribution Rates**

The overall rate increase of the plan is approximately 0.8% which based on current membership will increase annual premiums from approximately \$ 59.8 million currently to \$60.3 million in 1992-93.

### **Proposed Benefit Changes**

- \* Physician visit will cost \$5 per visit (There is no charge currently).
- \* Prescription drugs will cost \$5 per prescription up to a 34-day supply (currently \$3 per prescription).
- \* Mental health visits will cost \$20 per visit when prescribed by a Plan physician (currently there is no charge for maximum of 20 visits).
- \* Allergy tests and injection visits will cost \$3 per visit (There is no charge currently).

## **BRIDGEWAY HEALTH PLAN**

### **Contribution Rates**

The overall rate increase of the plan is approximately 5.1% which based on current membership will increase annual premiums from approximately \$17.7 million to \$18.6 million for 1992-93.

### **Proposed Benefit Changes**

#### **Network Plan**

- \* No Benefit Changes

#### **Hospital Based Plan**

- \* Physician visits will cost \$5 per visit (There is no charge currently).
- \* Physical Therapy visit will cost \$15 per visit (There is no charge currently).

## **AETNA HEALTH PLANS OF NORTHERN CALIFORNIA** **Formerly Bay Pacific Health Plan**

### **Contribution Rates**

The overall rate increase of the plan is approximately 4.1% which based on current membership will increase annual premiums from \$9.7 million to approximately \$10.1 million for 1992-93.

### **Proposed Benefit Changes**

- \* None

**QUAL-MED CALIFORNIA**  
**Formerly Heals Health Plan**

**Contribution Rates**

The overall rate increase of the plan is approximately (4.2)% which based on current membership will increase annual premiums from \$4.8 million to approximately \$4.6 million for 1992-93.

**Proposed Benefit Changes**

- \* None.

**FOUNDATION HEALTH PLAN**

**Contribution Rates**

The overall rate increase of the plan is approximately -- % which based on current membership will increase annual premiums from \$.2 to \$.2 for 1992-93.

**Proposed Benefit Changes**

- \* None.

**DENTAL PLANS**

- \* The Colonial Life Dental Plan will no longer be offered effective July 1, 1992.

All retired and members will have an option of three dental plans:

**Delta Dental Plan** - This is a fee-for-service dental plan where you may select the dentist of your choice to provide services.

**DentlCare Dental Plan** - This is a closed panel prepaid dental plan providing a comprehensive set of benefits. You must select a dentist from those dentists participating in the plan.

**Safeguard Dental Plan** - This is also a closed panel prepaid dental plan providing a comprehensive set of benefits. You must select a dentist from those dentists participating in the plan.

The benefits and premium costs of each plan are enclosed.

**DISABILITY PLAN**

- \* A hospital income protection rider will be offered for the first time.





Item 9 - File 171-92-2

This item is a hearing to consider San Francisco's contribution to the Fiscal Year 1992-93 Peninsula Commute (CalTrain) Service Operating Budget.

In December, 1991, the Economic and Social Policy Committee approved a resolution to authorize the execution of a real property ownership agreement between the members of the Joint Powers Board (JPB) to provide for an orderly system of management, development and eventual disposition of the property, consisting of the 52-mile corridor between San Francisco and San Jose, and for appropriate rights and protections relative to SamTrans' advance of funds for the purchase of the property (File 171-91-20). The JPB consists of members from the City and County of San Francisco, the San Mateo County Transit District (SamTrans) and the Santa Clara County Transit District.

On December 20, 1990, the JPB executed a Letter of Intent with the Southern Pacific Transportation Company for the purchase of the Peninsula Commute Right-of-Way from Southern Pacific Transportation Company, consisting of an approximately 52-mile corridor between 4th and Townsend Streets in San Francisco and Lick Junction in San Jose. The purpose of purchasing the right-of-way is to enable the three counties, San Francisco, San Mateo and Santa Clara, to jointly operate the peninsula commute service (CalTrain).

The same resolution (File 171-91-20) provided that SamTrans would have the option of taking title to the portions of the right-of-way located in San Francisco or Santa Clara Counties if these counties do not provide their share of the right-of-way purchase price, and recognized, but did not require, that San Francisco intends to contribute surplus land owned by the San Francisco Public Utilities Commission's (PUC) Water Department which is located in San Mateo County as its approximate \$10 million share towards the purchase of the right-of-way.

Ms. Brigid Hynes-Cherin, Director of the San Francisco County Transportation Authority, advises that the understanding between the counties belonging to the JPB is that if the value of the land in San Mateo exceeds \$10 million, San Francisco would have the option of either receiving the difference in cash, or using the funds for San Francisco's share of operating costs in future fiscal years.

Ms. Robin Reitzes of the City Attorney's Office reports that the City is still in the process of completing negotiations with SamTrans with regard to the process for appraising the 26 parcels of surplus land owned by the Water Department. Ms. Reitzes notes that once the negotiations on the appraisal process and instructions for appraisers have been completed, SamTrans will issue requests for proposals (RFPs) for appraisers, an appraiser acceptable to both parties will be selected, and an appraisal of the land will be made.

Mr. Harry Quinn of the Department of Real Estate reports that after the appraisal has been made, San Francisco and SamTrans will review the appraisal figures, negotiate and attempt to come to an agreement concerning the appraised value of the land. Mr. Quinn advises that the City and SamTrans have agreed to evenly split the cost of appraising the land and Mr. Bob Mitroff of the PUC reports that the City expects its share of appraisal costs will be less than \$50,000. Both Ms. Reitzes and Mr. Quinn estimate that it may take at least nine months or longer to complete the appraisal process. Besides the appraisal process, the City will also need to devote time and resources to test the land for any hazardous wastes, but at this time it is unclear as to when the hazardous waste testing will occur, and what the costs of such testing will be.

Effective December, 1991, the approximately 52 mile long Peninsula Commute Right-of-Way was purchased by the JPB and the portion of the Right-of-Way located in San Francisco and Santa Clara Counties belongs to the JPB while the portion in San Mateo County belongs jointly to SamTrans and the JPB. This arrangement came about in direct proportion to the amount of funding contributed by the respective parties.

Two contractors bid for the opportunity to operate CalTrain, A.T.E. Management and Service Company (ATE), and Amtrak. Since the JPB was unable to reach an agreement with ATE due to an impasse concerning liability insurance, the JPB chose to make the offer instead to Amtrak. Mr. Jim Gallagher of SamTrans advises that starting July 1, 1992, Amtrak will be operating CalTrain.

Currently, Caltrans is still responsible for management and daily operation of the CalTrain service until Amtrak assumes those duties on July 1, 1992. Approximately 40 percent of operating costs are recovered through fares, leaving a 60 percent deficit. The annual Federal subsidy is deducted from the 60 percent deficit. Half of the balance after deducting the Federal subsidy is being borne by Caltrans up through fiscal year 1992-93, and the other half by the Counties of San Francisco, San Mateo and Santa Clara, based on their respective riderships. San Francisco's share is 10.2 percent, San Mateo's share is 51.0 percent, and Santa Clara's share is 38.8 percent. In addition, administrative expenses for the JPB are divided evenly between the three counties (prior to the new JPB agreement signed in October, 1991, administrative costs were divided between the agencies based on the same percentages as the operating deficit).

On April 7, 1992, the JPB adopted an amended fiscal year 1992-93 budget, making San Francisco's projected share of operating costs \$1,299,014 (a preliminary budget had allocated operating costs of \$1,541,277 to the City), based on the assumption that ATE would be operating CalTrain. San Francisco's contribution for the operating deficit is about \$893,116, and an additional \$405,898 is for administrative expenses. Mr. Gallagher advises that the operating costs were lowered (and therefore, San Francisco's allocation of costs was also lowered) as a result of the following factors: a fare increase scheduled to take effect in September, 1992; the opening of a new station in southern San Jose; new ridership scheduled to start after July 1, 1992; and the decision to not fill oversight positions,

instead retaining consultants to play an oversight role. At the time of this writing, Ms. Hynes-Cherin had confirmed with the JPB that both Amtrak's and ATE's costs had been very similar, so it will not be necessary for JPB to revise its fiscal year 1992-93 budget to take into account the selection of Amtrak as the CalTrain operator.

Ms. Kathleen Kelly of the PUC advises that for fiscal year 1992-93, the City has budgeted \$950,000 from General Fund monies, all of which would come from Muni's budget, as its share of CalTrain's operating costs, and that presently, there are enough funds to pay for almost 9 months of the City's current projected share of operating costs of \$1,299,014. Ms. Kelly notes that the City has two options: (1) it can use the credit from its surplus land toward operating costs to make up the difference between the \$950,000 and the \$1,299,014; or (2) it can appropriate additional monies from the General Fund to make up the shortfall. The shortfall for fiscal year 1992-93 is currently estimated at \$349,014 (\$1,299,014 budgeted less \$950,000 from Muni's General Fund budget).

Mr. Mitroff also reports that San Francisco's share of CalTrain's operating expenses for fiscal year 1991-92 will exceed the budgeted amount of \$950,000 by an estimated \$727,729 due to the following additional expenses:

(1) \$353,661 for the City's share of the JPB's administrative expenses through June 30, 1992 (attributable to costs associated with the development and award of CalTrain's operating contract, the Environmental Impact Statement for the Downtown San Francisco Extension Project, and the acquisition of the Southern Pacific Right-of-Way);

(2) \$266,192 for start-up costs to bring Amtrak on line by July 1, 1992;

(3) \$57,876 to substitute for a Federal Section 9 operating grant, which was included in the JPB's 1991-92 budget, but has been delayed due to unresolved labor issues; and

(4) \$50,000 to pay the contractor who will conduct the appraisal of the San Francisco Water Department's surplus land which was transferred to the JPB in lieu of San Francisco's local match for the Right-of-Way acquisition.

The PUC informed the Mayor's Office on April 1, 1992 of the above-listed additional JPB costs which San Francisco is to assume in its fiscal year 1991-92 budget. The total amount which the City has budgeted for CalTrain in fiscal year 1991-92 is \$950,000. As of the writing of this report, the Mayor's Office has not identified funds for these additional costs.

Mr. Stuart Sunshine, Assistant to the Mayor for Transportation, advises that presently, the Mayor's proposed budget for fiscal year 1992-93 only includes \$950,000 for the City's share of CalTrain's operating costs and that the Mayor's Office hopes that the appraisal process can be completed by the time the \$950,000 has been provided to the JPB, so that some credit for the City can be applied against its surplus land.



Ms. Linda Rhine of JPB's Planning Department reports that her office is in the process of developing nine year operating budget projections and a capital improvement plan for CalTrain (also known as the Short Range Transit Plan), which will be completed in July, 1992. Ms. Rhine has provided the following preliminary operating cost projections for San Francisco:

	<u>Number of Trains</u>	<u>Annual Projected Cost to City</u>
<u>FY 1992-93</u>	60	\$1,299,014
<u>FY 1993-94</u>	60	\$2,511,400
<u>FY 1994-95</u>	66	\$3,046,600
<u>FY 1995-96</u>	66	\$3,204,700
<u>FY 1996-97</u>	66	\$3,370,600
<u>FY 1997-98</u>	66	\$3,545,000
<u>FY 1998-99</u>	66	\$3,728,000
<u>FY 1999-2000</u>	66	\$3,920,100
<u>FY 2000-2001</u>	66	\$4,121,900

Ms. Rhine notes that these figures are likely to change when the contract with Amtrak is finalized, and as the JPB evaluates its cost and revenue assumptions. Ms. Rhine reports that the projections assume that CalTrain will operate 66 trains starting July 1, 1994 through the year 2001, and that Caltrans' subsidy will cease, starting in fiscal year 1993-94. These projections also assume that San Francisco's share will continue to be 10.2% of the JPB share up through fiscal year 2000-2001, that there will not be a downtown extension in San Francisco and that the Federal subsidy of CalTrain will continue up through 2001.

The above listed projections show that San Francisco's share of operating costs almost doubles after fiscal year 1992-93, due to the fact that the State subsidy will cease to subsidize operating costs by 50 percent after fiscal year 1992-93. The amended Joint Powers Agreement (approved by the Board, per File 172-91-16) requires that these operating costs be subject to the Board of Supervisors' approval on an annual basis. In addition, the real property ownership agreement adopted by the Board (File 171-91-20) provides that San Francisco could terminate its participation in the JPB Agreement at the end of any fiscal year, provided that one year's notice is given to the other JPB members.

Items 10, 11, 12 and 13 - Files 142-92-1, 142-92-1.1, 142-92-2 and 142-92-2.1

**Department:** Public Utilities Commission, Water Department

**Items:** The four proposed resolutions all relate to the Public Utilities Commission's (PUC) proposed revised schedule of rates for water supplied to City and suburban retail customers (Items 10 and 11; Files 142-92-1 and 142-92-1.1); and for water supplied to suburban resale customers (Items 12 and 13; Files 142-92-2 and 142-92-2.1).

**Description:** The proposed legislation provides for an 18% increase in the base rate water charge for the City, and the suburban retail customers and a 18.6% increase for suburban resale customers. The Water Department also proposes to end the water purchase surcharge of \$0.18 per billing unit (one unit equals 748 gallons) which was approved for 1991-92 to pay for the cost of purchasing water from the State and the Placer County Water Agency. Therefore, according to the Water Department, because the proposed increase would be made at the same time the surcharge is eliminated, the overall cost for water would decrease from \$.94 to \$.897 for each billing unit (748 gallons of water). However, the PUC is also proposing a meter charge increase of 14% in addition to the water charge base rate increase of 18% for the City and suburban retail customers. The meter rate increase for fiscal year 1991-92 was approximately 10.5%. Since these increased rates are proposed simultaneously with the elimination of the \$0.18 per billing unit surcharge, most users would find a decrease in the overall cost of water, except low volume water users may find no change or a slight increase in the water bills. The rate increase for San Francisco customers (displayed in Attachment 1) ranges from approximately a 0% increase per unit consumed for single family residential users, to approximately a 3.8% decrease per unit consumed estimated for high volume water users, such as restaurants. Based upon the Water Department's assumption, the units consumed for single family residential units would be 7 units (6 units were assumed for FY 1991-92), the average monthly water cost for an average single family residential unit would remain the same at \$8.68, or approximately \$104.16 annually, representing a 0 percent increase.

There are two resolutions for each proposed rate schedule described above (i.e., two resolutions for water supplied to City and suburban retail customers, and two resolutions for water supplied to suburban resale customers). The first resolution in each case, if approved, would find that adoption



of the proposed rate schedule would not result in the need for a tax subsidy for the San Francisco Water Department. The second resolution in each case would disapprove the revised schedule of rates.

With respect to each proposed rate schedule, approval of the first resolutions would make a necessary finding that no tax subsidy would be required to fund the operations, capital and reserve requirements of the San Francisco Water Department, and disapproval of the second resolution would adopt the proposed schedule of rates. If the Board of Supervisors decides to disapprove the requested rate increases and thereby approve the second resolution, a two-thirds vote of the Board would be necessary. The Board of Supervisors cannot alter the proposed rate schedules but can only approve or disapprove rates. Approval of any resolution which disapproves a rate schedule would return the rate matter to the Public Utilities Commission for further consideration.

**Comments:**

1. For 1990-91, the Department began the year with no beginning fund balance. A base rate increase of 14% was approved for 1990-91 which provided the Department with an ending cash balance of \$1,096,000 for 1990-91. For 1991-92, the base rate was also increased by 14%, plus an additional "water purchase surcharge" which was added to pay for the purchase of additional water from outside the water system which resulted in a total increase of 30.96% per billing unit consumed. The Department estimates that it will begin 1992-93 with no beginning balance. The Water Department had originally anticipated that approximately \$3 million would be available in carryforward funds for fiscal year 1992-93. However, according to Mr. John Mullane of the Water Department, because actual water consumption for FY 1991-92 was at approximately a 35% conservation level, rather than what was required under the 25% mandatory rationing program, the Water Department is not projecting to have an ending balance carryforward for FY 1992-93. After reviewing the proposed revenues and expenditures (as in Attachment 2), the Budget Analyst has estimated that approximately \$110,415 would be the ending balance for FY 1991-92, rather than zero as projected by the Water Department.

2. In 1990-91, a five year financial plan was proposed to the Public Utilities Commission that established regular rate increases of 14 percent for five years through 1994-95. This plan utilized bonds as a rate stabilizing tool to give the customers a graduated increase in rates. At the end of 1994-95, the water rate base may be sufficient to meet both regular

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operating and capital funding requirements, without the need to issue additional bonds, according to Mr. Mullane.

3. The Board of Supervisors, in April of 1991, authorized the Water Department to proceed with the sale of \$76 million in revenue bonds to fund short term capital needs. This prior sale of the revenue bonds represents a "non-cash alternative" for financing Water Department repair and replacement projects, and would reduce the Department's need to significantly increase water rates to customers in order to fund those capital improvements. The Water Department does not intend to issue any additional debt during fiscal year 1992-93. However, given that the Water Department issued additional revenue bonds during April of 1991, annual debt service requirements have increased from approximately \$9 million for fiscal year 1991-92, to approximately \$16 million for fiscal year 1992-93. According to Ms. Michelle Witt of the PUC, approximately \$107 million in bond funds were refinanced during February, 1992, which includes the \$76 million in bonds issued in April, 1991. Ms. Witt reports that this refinancing should result in approximately a \$450,000 savings to debt service. However, because of the \$76 million in revenue bonds issued in April, 1991, this increase in annual debt service more than offsets any savings realized through bond refinancing.

4. The Water Department delivers water on a wholesale basis to 30 water agencies (named the suburban resale customers) outside the City and County of San Francisco. In 1984, the Department and its suburban customers approved a settlement agreement and master water sales contract. This agreement resolved litigation pending since 1974 and established a method by which suburban resale rates are calculated each year. Under the agreement, cost accounting and rate setting is divided and based on the distinct costs of providing water services to City retail customers as opposed to "Suburban Resale" customers who purchase water on a wholesale basis. The City sets the wholesale water rates to recover all costs associated with providing water to the Suburban Resale Customers, plus a rate of return on all debt funded assets and future revenue funded assets. In 1990-91, the estimated suburban revenue payable to the City was \$41,473,790, or \$7,655,101 less than what the City estimated it would receive from suburban resale customers to pay their share of costs based on water usage. The estimated payment and revenue requirement for 1991-92 will result in \$7,655,101 (See Attachment 2) still being owed to San Francisco. However, because of the rationing plan adopted by the PUC, and the related reduced use of water, the PUC has proposed a

rate increase of 18.6 percent for 1992-93 for suburban resale customers, in addition to the \$7,655,101 which is still owed to the City for 1991-92.

5. The PUC has continued the mandatory 25% water rationing plan for fiscal year 1992-93. As noted, actual water consumption for FY 1991-92 was at approximately a 35% conservation level, rather than what was required under the 25% mandatory rationing program. Mr. Mullane reports that even though there was close to normal rainfall during fiscal year 1991-92, a shortage of the supply of water still exists. Under the City's Mandatory Water Rationing Program, the PUC has established water use allotments and excess use charges for all City and suburban retail customers. Such excess water use charges are the same as currently for 1991-92, except these charges would be extended to include currently non-paying municipal accounts (i.e. General Fund Departments), during 1992-93 which are currently exempt from water usage excess charges. Municipal accounts are charges of domestic uses of water by City departments. However, water supplied to the Fire Department's pump stations would not be subject to these excess use charges. The excess use charges are as follows:

<u>Excess Water Consumption</u>	<u>For Water Used in Excess of Allotment, the Excess Use Charge Will be</u>
up to 10% over allotment	2 times unit rate
10 - 20% over allotment	8 times unit rate
20.01% or more over allotment	10 times unit rate

Also, in the event water is used in excess of the specified allotment, the Water Department may, after one warning, install a flow restricting device on the customer service line. The charge to install and remove the device shall be as follows:

<u>Meter Size</u>	<u>Installation/Removal Cost</u>
5/8 " to 1"	\$ 95.00
1-1/2" to 2"	149.00
3" and larger	Actual Cost

The above charges for 1992-93 are the same as 1991-92, except, as previously noted, for 1992-93, these charges would also be applied to all domestic uses of non-paying municipal accounts (i.e. General Fund Departments). Also, the Water Department may discontinue water service altogether in the

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event continued water consumption in excess of allotments occurs. A charge of \$30.00 must be paid by the customer prior to reactivation of service.

6. In addition to the proposed rate increases, the two major changes proposed for fiscal year 1992-93 are (a) a returned check charge of \$10.00 to be applied to accounts whose check payment is returned due to insufficient funds, and (b) as noted above, City General Fund departments will be subject to excess charges for domestic water usage. Enterprise Fund departments, such as the Airport and the Port are currently subject to these excess use charges. According to Mr. Mullane, if excess use charges would have been assessed against currently non-paying municipal accounts during fiscal year 1991-92, it would have resulted in a maximum of \$1.6 million, which would have been payable from the General Fund. Mr. Mullane reports that the Water Department is not advising General Fund departments to budget additional funds for excess use charges, rather it is anticipated that extending these excess use charges to municipal accounts would provide an incentive for City departments to use less water, and thereby reduce the need for the Water Department to purchase additional outside water and resulting in an overall water savings. However, Mr. Mullane states that if General Fund departments do exceed their allotments, and have the same amount of domestic water usage as fiscal year 1991-92, then a maximum of \$1.6 million would have to be paid from the General Fund for such excess use charges.

7. The Budget Analyst has reviewed the rate increases and the projected revenues and expenditures for FY 1991-92 and FY 1992-93 as proposed by the Water Department. As noted, primarily because of water conservation at approximately a 35% conservation level rather than the 25% mandatory conservation as required under the PUC's mandatory rationing plan, the Water Department was projecting to have a zero ending unappropriated balance for FY 1991-92. However, based upon the Budget Analyst's review of the projected expenditures, we project that the Water department would have an ending balance of \$110,415 (See Attachment 2). However, this unappropriated ending balance would have a negligible effect on the proposed 18% increase in the base rate for FY 1992-93. In addition, the Water Department is downsizing its capital budget by deobligating \$14,730,000 in capital improvement projects for FY 1991-92, and also by reducing capital expenditures for FY 1992-93 by approximately \$5 million (\$30,465,000 for FY 1991-92 versus \$25,367,900 for FY 1992-93). Such reduced capital

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expenditures are being proposed because revenues have been lower than projected as a result of decreased water consumption.

We have also reviewed the water consumption assumptions which, along with the recommended rates, determine the projected revenue to the Water Fund. Overall for all users, the projections conservatively assume continued reductions in current consumption due to reaction to the drought and from continuing the mandatory rationing plan. As noted, for fiscal year 1991-92, although the mandatory rationing plan called for a 25% savings in water consumption, actual conservation was approximately a 35% savings. The revenue projections assume that consumption would increase for fiscal year 1992-93 to between a 25% and 35% conservation level.

As previously noted, the PUC is proposing a meter charge increase of 14% and the water charge base rate by 18% for the City and suburban retail customers, and an 18.6% increase for suburban resale customers. Since this increase is proposed simultaneously with the elimination of the \$0.18 per billing unit surcharge, most users would find a decrease in the overall cost of water, most users would find a decrease in the overall cost of water, except for low volume water users may find no change or a slight increase in the water bills. Although those meters registering the use of little water, such as single family residential units, will not have a percentage increase in water rates, and their related water bills, high volume water users, such as restaurants, would realize approximately a 3.8% decrease in water rates and their related water bills. Given that the proposed water rate increases favor the higher volume users of water and that the proposed legislation would extend the excess use charges for exceeding water allotments to municipal accounts (i.e., General Fund departments) the Budget Analyst considers the proposed legislation to be a policy matter for the Board of Supervisors. As previously noted, if General Fund departments do exceed their allotments, and have the same domestic water usage as fiscal year 1991-92, then a maximum of \$1.6 million would have to be paid from the General Fund for such excess use charges.

**Recommendations:** 1. Approval of the proposed base rate increase of 18%, and an increase in the meter charge of 14%, and an 18.6% increase for suburban resale customers, which would result in approximately a zero percent increase for single family residential units, but a decrease in water rates for all other higher volume water users, and extending the excess use

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charges for exceeding water allotments to municipal accounts, (i.e., General Fund departments), is a policy matter for the Board of Supervisors

2. If the Board of Supervisors decides to approve the rate increases proposed by the Public Utilities Commission, then (a) approve resolutions (Files 142-92-1 and 142-92-2) finding that no tax subsidy will be required as a result of the proposed revised schedule of water rates, and (b) disapprove the proposed resolutions (File 142-92-1.1 and 142-92-2.1) for the PUC revised schedules of water rates. Such disapproval would result in the approval of the rate increases as requested by the PUC.

MONTHLY COMPARISON OF CURRENT WATER RATES  
VS.  
18% WATER RATE INCREASE; TYPICAL SAN FRANCISCO CUSTOMERS

Type	Estimated Units of Consumption	Current Charge Plus Surcharge	18% Increase Less Surcharge	Cost Difference	% Change Per Unit Consumed
Average Single-Family	7*	\$ 8.68	\$ 8.68	\$ 0	0%
12 Unit Apartment	29	35.86	35.81	(.05)	0%
Large Apartment	307	351.48	347.08	(4.40)	(1%)
Apartment Complex	2,224	2,216.36	2,138.33	(78.03)	(3.5%)
Residential Hotel	517	517.48	499.65	(17.37)	(3.4%)
Restaurant	378	371.02	356.97	(14.05)	(3.8%)
Large Office Building	575	603.40	587.48	(15.92)	(2.6%)
Department Store	1,286	1,271.74	1,225.24	(46.50)	(3.7%)
Hospital	2,264	2,253.96	2,174.21	(79.75)	(3.5%)

\* Assumes historical monthly consumption will increase by one unit (748 gallons) for FY 1992-93 versus previous estimated consumption, and therefore the projected increase would be zero since more water is estimated to be consumed.

WATER DEPARTMENT FUND BALANCE PROJECTIONS  
FOR 1991-92

	<u>1991-92</u>		
	<u>City</u>	<u>Suburban Resale</u>	<u>Department Total</u>
<b><u>Beginning surplus</u></b>	\$1,096,000		\$1,096,000
Beginning balance-suburban resale balancing account	7,765,516	\$(7,765,516)	
Rate Stabilization Fund	14,601,636		14,601,636
<b><u>Revenue</u></b>			
Sale of Water	34,656,201	48,892,514	83,548,715
Water Purchase Surcharge	6,279,814		6,279,814
Excess Use Charges	4,500,000		4,500,000
Rents	3,700,000		3,700,000
Interest	3,000,000		3,000,000
Service Charges	2,000,000		2,000,000
Miscellaneous	1,652,300		1,652,300
<b>TOTAL REVENUE</b>	55,788,315	48,892,514	104,680,829
<b>TOTAL SOURCES</b>	<u>79,251,467</u>	<u>41,126,998</u>	<u>120,378,465</u>
<b><u>Budgeted Expenditures</u></b>			
Operating	38,129,734	17,744,452	55,874,186
Purchase of Water (Hetchy)	9,645,188	4,896,812	14,542,000
Purch. of addl. water	4,801,595	7,403,780	12,205,375
G.O. Debt Service	2,110,000		2,110,000
Revenue Bond Debt Service	7,088,660		7,088,660
Capital Projects/Facilities Main.	30,465,000		30,465,000
Total-Budgeted.Exp.	92,240,177	30,045,044	122,285,221
<b><u>Non-Budgeted Expenditures</u></b>			
Suburban Depreciation Cost	(3,687,021)	3,687,021	
Suburban-Return on Investment cost	(14,428,793)	14,428,793	
Interest- Sub. bal. acct.	(621,241)	621,241	
Close Outs/Capital Deobligation	(14,730,000)		
Total-Non Budgeted Exp.	(33,467,055)	18,737,055	
<b>TOTAL EXPENDITURES</b>	<u>58,773,122</u>	<u>48,782,099</u>	<u>107,555,221</u>
Ending balance-suburban resale balancing account	(7,655,101)	7,655,101	0
Rate Stabilization Fund	12,712,829	0	12,712,829
<b>UNAPPROPRIATED BALANCE</b>	\$15,420,617	(15,310,202)	\$110,415

**WATER DEPARTMENT FUND BALANCE PROJECTIONS  
FOR 1992-93**

**1992-93**

	<u>City</u>	<u>Suburban Resale</u>	<u>Department Total</u>
<b><u>Beginning surplus</u></b>	\$110,415		\$110,415
Beginning balance-suburban resale balancing account	\$7,655,101	\$(7,655,101)	0
<b><u>Revenue</u></b>			
Sale of Water	40,572,753	57,965,227	98,537,980
Water Purchase Surcharge	0		0
Excess Use Charges	3,000,000		3,000,000
Rents	3,883,000		3,883,000
Interest	2,250,000		2,250,000
Service Charges	2,300,000		2,300,000
Miscellaneous	<u>1,100,000</u>	<u>                    </u>	<u>1,100,000</u>
<b><u>TOTAL REVENUE</u></b>	<u>53,105,753</u>	<u>57,965,227</u>	<u>111,070,980</u>
<b><u>TOTAL SOURCES</u></b>	<u>73,584,098</u>	<u>50,310,126</u>	<u>123,894,224</u>
<b><u>Budgeted Expenditures</u></b>			
Operating	38,620,862	21,988,193	60,609,055
Purchase of Water (Hetchy)	9,392,015	5,149,985	14,542,000
Purch. of Water- other sources	1,573,600	2,426,400	4,000,000
G.O. Debt Service	2,002,795		2,002,795
Revenue Bond Debt Service	14,376,485		14,376,485
Capital & Fac. Maint Projects	<u>25,367,900</u>	<u>                    </u>	<u>25,367,900</u>
Total-Budgeted.Exp.	91,333,657	29,564,578	120,898,235
<b><u>Non-Budgeted Expenditures</u></b>			
Suburban Depreciation Cost	(4,712,741)	4,712,741	0
Suburban-return on investment	(15,573,501)	15,573,501	0
Interest- Suburban account	<u>(459,306)</u>	<u>459,306</u>	<u>0</u>
Total-Non Budgeted Exp.	(20,745,548)	20,745,548	0
<b><u>TOTAL EXPENDITURES</u></b>	<u>70,588,109</u>	<u>50,310,126</u>	<u>120,898,235</u>
Ending balance-suburban resale balancing account	0	0	0
Rate Stabilization Fund	<u>12,712,829</u>	0	<u>12,712,829</u>
<b>UNAPPROPRIATED BALANCE</b>	\$ 2,995,989		\$ 2,995,989

Item 14 - File 100-91-7

**Note:** This item was continued by the Finance Committee at its meeting of May 6, 1992.

The item is a hearing to consider the status of the City's economic vitality and business climate.

According to the State Employment Development Department (EDD), the local and regional economy of San Francisco and the Bay Area is characterized primarily by a large and growing service sector. The service sector comprised 33.3% of jobs in San Francisco County in 1988. Below is a breakdown of jobs within San Francisco County in 1988 (the last year for which data are available), as determined by EDD, with projected percentage changes in the size of each sector through 1993. The substantial growth in the service sector is attributable to the strength of business services, engineering, accounting and research services, medical services, and legal services, and rapid expansion in the hotel industry.

Major San Francisco Industries and Projected Changes in Employment

	Percentage of S. F. <u>Employment (1988)</u>	Increases (Decreases) from <u>1988-1993*</u>	Projected Percentage of S. F. <u>Employment (1993)</u>
Services	33.3%	11.4	35.9%
Government	16.1	1.7	15.8
Retail Trade	13.9	4.6	14.0
Finance, Insurance & Real Estate (FIRE)	13.9	-2.7	13.0
Manufacturing	7.4	-6.3	6.7
Transportation and Public Utilities	7.1	-2.3	6.7
Wholesale Trade	5.6	-3.5	5.3
Mining and construction	<u>2.7</u>	-4.5	<u>2.5</u>
Total Employment	100.0%	3.4	100.0%

\* Column 2 shows the expected percentage change in employment between 1988 and 1993 by industry. Due to variations in the size of each industry (Column 1), and the projected increase of 3.4% in San Francisco's employment between 1988 and 1993, the net effect by 1993 cannot be obtained by simply adding the percentage changes shown by industry. Column 3 reflects the expected effect on San Francisco employment of these changes on each sector relative to its size.

Table 1 on the following page reflects the number of jobs to be gained or lost between 1988-93, based on the EDD projections, which were issued in June 1991. The second table below shows the relative contribution of each sector of the economy on the total expected change in San Francisco employment.

The tables can be interpreted as follows:

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PROJECTED NUMBERS OF JOBS IN SAN FRANCISCO, TABLE 1 1988-93

	1988	1993	CHANGE
	INDUSTRIES	Sectors INDUSTRIES Sectors	
TOTAL EMPLOYMENT	560,600	579,500	18,900
MINING/CONSTRUCTION		15,400	14,700 (700)
MANUFACTURING	41,400	38,800	(2,600)
Non-durable	32,300	31,600	(1,300)
Food		5,700	4,900 (800)
Apparel		12,800	12,900 100
Printing/Publish		10,300	10,500 200
Other		4,100	3,300 (800)
Durable	3,500	7,200	(1,300)
Metals		1,800	1,300 (500)
Transp. Equip.		1,800	1,100 (700)
Other		4,900	4,800 (100)
TRANSPORTATION/UTILITIES	39,900	39,000	(900)
Transportation		20,600	21,600 1,000
Communication/Utilities		19,300	17,400 (1,900)
WHOLESALE TRADE		31,600	30,500 (1,100)
RETAIL TRADE	77,800	81,400	3,600
Department stores		8,100	8,000 (100)
Food stores		8,600	9,600 1,000
Apparel stores		7,800	8,100 300
Restaurants & bars		32,400	33,200 800
Other		20,900	22,500 1,600
FINANCE/INSURANCE/ /REAL ESTATE	77,700	75,600	(2,100)
Finance		47,400	46,000 (1,400)
Insurance/Real Estate		30,300	29,600 (700)
SERVICES	186,600	207,800	21,200
Hotel services		17,000	19,600 2,600
Business services		47,000	55,200 8,200
Health services		25,000	25,700 700
Legal services		19,200	23,500 4,300
Social services		20,400	21,700 1,300
Engineer, Architect, Mgmt		28,200	30,200 2,000
Other		29,800	31,900 2,100
GOVERNMENT	90,200	91,700	1,500
Federal		29,500	27,000 (2,500)
State and Local		60,700	64,700 4,000
		560,600	579,500

Table 2

PERCENT OF TOTAL PROJECTED CHANGE IN EMPLOYMENT  
1988 - 1993, ATTRIBUTED TO INDUSTRIAL SECTORS

	Percent change Within industry	Percent share of total change
TOTAL EMPLOYMENT	3.37	100.00
MINING/CONSTRUCTION	(4.55)	(3.79) (3.79)
MANUFACTURING	(6.28)	(13.76)
Non-durable	(3.95)	
Food	(14.04)	(4.23)
Apparel	0.78	0.53
Printing/Publish	1.94	1.06
Other	(19.51)	(4.23)
Durable	(15.29)	
Metals	(27.78)	(2.65)
Transp. Equip.	(38.89)	(3.70)
Other	(2.04)	(0.53)
TRANSPORTATION/UTILITIES	(2.26)	(4.76)
Transportation	4.85	5.29
Communication/Utilities	(9.84)	(10.65)
WHOLESALE TRADE	(3.48)	(5.82) (5.82)
RETAIL TRADE	4.63	19.05
Department stores	(1.23)	(0.53)
Food stores	11.63	5.29
Apparel stores	3.85	1.59
Restaurants & bars	2.47	4.23
Other	7.66	8.47
FINANCE/INSURANCE/ /REAL ESTATE	(2.70)	(11.11)
Finance	(2.95)	(7.41)
Insurance/Real Estate	(2.31)	(3.70)
SERVICES	11.36	112.17
Hotel services	15.29	13.76
Business services	17.45	43.38
Health services	2.80	3.70
Legal services	22.40	22.75
Social services	6.37	6.32
Engineer, Architect, Manager	7.09	10.55
Other	7.05	11.11
GOVERNMENT	1.66	7.94
Federal	(8.47)	(13.23)
State and Local	6.59	21.16
		100.0 100.0

The net change in the level of employment in San Francisco, based on EDD estimates, is a net gain of 18,900 (579,500 less 560,600) jobs between 1988 and 1993 (see Table 1). Table 2 shows the percentage share of this net change by industry. Of the total net gain of 18,900 jobs, approximately 19 percent of the change is attributable to the 3,600 new jobs expected to be added in the Retail Trade sector (3,600 is approximately 19 percent of 18,900).

Manufacturing Industry. The Manufacturing sector is projected to contribute negatively to the change in San Francisco employment, offsetting approximately 14 percent of the gain in other sectors. The negative 14 percent share of job growth attributable to manufacturing represents the projected loss of 2,600 jobs in this sector (18,900 net change in jobs x 14 percent equals 2,600).

Although there is anticipated to be a decline overall in the manufacturing sector, San Francisco is now the third largest apparel manufacturing center in the U.S., according to the Chamber of Commerce, accounting for 30% of the manufacturing jobs in the City. Gains in this industry are due in part to shifts in the retail industry away from large department stores toward specialty and chain stores. Retail apparel stores are expected to exhibit employment gains between 1988 and 1993 of 3.4%, according to EDD.

Services Industry. The tables reflect dramatic growth in the Services sector. The projected change in employment in the Services sector of the economy exceeds the total number of jobs expected to be added; the Services sector contributes more than 112 percent of the job growth (18,900 net gain x 112 percent equals 21,200 new jobs in the Service Sector). In other words, job growth in this sector includes 18,900 new jobs, equal to the net gain, as well as an additional 2,300 new jobs which offset some of the losses in others sectors.

By representing employment changes within industries as a percentage of the net change in employment, Table 2 suggests the magnitude of each industry's projected effect on total job growth in the local economy.

Labor Supply and Growth Mr. Douglas Perron, the labor market analyst at EDD, who projected these changes in employment, states that job growth through 1993 is unlikely to be as strong as the statistics indicate, due to the recession which began in 1990. Therefore, the numbers should not be used as a reliable prediction of actual job growth. However, Mr. Perron indicates that the employment trends reflected by the statistics, such as the strong growth in the Service Sector and the decline in Manufacturing employment within the City, continue to reflect expected changes in San Francisco's job market.

A major factor influencing business location decisions is the availability of skilled labor. A 1990 Standard and Poor's report indicated that the San Francisco area's unemployment rate of 3.4% in 1989 was among the 20 lowest in the nation, and that the higher growth rate of jobs relative to growth of the labor force had significantly tightened the labor market between 1986-89.

Figures from EDD indicate that unemployment in San Francisco in 1990 was 4.0%, somewhat lower than the 5.6% rate in California and the national

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average of 5.5%. Even during the current recession, the City's unemployment rate has been relatively low, with the unadjusted rate for October 1991 being 5.3% in San Francisco compared to 7.8% in Los Angeles, 7.3% Statewide, and 6.4% nationally.

Mr. Perron states that San Francisco is characterized by a mature economy which lacks significant opportunities for sustained employment growth, in contrast to outlying communities in the Bay Area. Space limitations, transportation concerns, and high labor costs constrain some businesses from locating in San Francisco rather than in outlying areas, where these constraints are less severe. Although he indicates that opportunities for physical expansion, are limited, with the notable exceptions of Mission Bay and possibly Hunters Point, Mr. Perron states that it is not necessarily true that an economy which does not continually add jobs must therefore be stagnating or dying.

A 1990 guide to business conditions published by Standard and Poor's indicates that the average annual job growth of 1.4% in the San Francisco area between 1986-89 was the fifth worst rate of growth among 23 metropolitan areas in the West. This was attributed to high building costs, a lack of affordable building space, and out-migration of business due to low office vacancy rates and associated high rents.

According to the Mayor's Office of Business and Economic Development, job growth in San Francisco is constrained by business density and growth restrictions, although the City's "compound annual rate of employment growth since 1988 at 1.5% has been higher than for any other four year period since 1972."

Business Opportunities. Issues of particular relevance to the San Francisco economy, according to Mr. Perron, include the mix of businesses which are present in the City, the competitive advantages available in San Francisco to firms in specific industries, and the amenities which San Francisco can offer to attract and retain businesses which are best suited to San Francisco's specific economic conditions. Mr. Perron expects San Francisco to continue to be attractive to firms in the service, retail, and tourism industries, and as the site for corporate headquarters. He expects the City to continue to compare unfavorably as a site for the location of managerial, clerical, and information services located in "back office" facilities, since companies are expected to be unwilling to pay high office rents for employees having little contact with the public, especially in view of San Francisco's continuing problems of transportation and housing.

Mr. Perron comments that the local San Francisco economy is particularly well suited to the Tourism, Finance, Retail, and Services industries, and that these strengths are expected to continue for the foreseeable future.

Tourism. According to a February, 1991 report of the San Francisco Chamber of Commerce, tourism continues to grow at an annual rate of 2-4% annually, accounting for 11.1% of San Francisco jobs. These visitors are 30% business travelers, 36% conventioners or tour groups, and 34% tourists or others, and they pay approximately \$140 million in taxes annually to the City, as reported by the Chamber of Commerce.

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Finance, Insurance and Real Estate has been a strong segment of the local San Francisco economy, representing 13.9% of San Francisco County jobs in 1988. A 1990 report of business conditions published by Standard & Poor's indicated that the segment's 11% share of Bay Area employment compared with an average share of 7% for Western metropolitan areas, and that banking's share alone, at 5%, was "twice as concentrated" in the San Francisco area as in the average urban area of the nation. The report also noted that the 2% annual decline in banking employment since 1986 stemmed from "white collar consolidations now endemic to that industry." The effects of these trends on San Francisco's banking industry will hurt the local economy, but should also be interpreted in the context of such larger industry shifts.

Retail Sales. Figures from the California Board of Equalization and U.S. Chamber of Commerce indicate that taxable retail sales in San Francisco in 1990 were 5.6% higher than in 1989, as compared with an overall growth rate of only 3.4% for California. The 5.0% growth in sales within the San Francisco Primary Metropolitan Statistical Area (San Francisco, Marin, and San Mateo Counties) was higher than for the Bay Area taken as a whole, with retail sales growth of 2.8%. Sales grew by 3.8% in 1990 for the nation.

Board of Equalization figures also show that taxable retail sales in the first half of 1991 decreased by 1.3% over the same period in 1990. This compared favorably with a decline of 3.6% for California and 6.3% for Los Angeles.

International Trade. Mr. Perron attributes a significant part of the growth of the Services sector to a continuing expansion of commerce with Pacific Rim countries, which generates economic activity in import/export industries, in legal services such as patents and trademarks, in other areas concerned with international trade, and in the many enterprises which provide direct and indirect services to firms. The region's economy is developing an increasingly important concentration in international trade, according to a 1991 report by the Center for the Continuing Study of the California Economy (CCSCE). The value of exports and imports passing through the San Francisco custom district more than doubled between 1983 and 1989. Many jobs in the finance industry and in legal and professional services are probably related to this growing segment of the economy. The two major groups of Trade (wholesale and retail) and Services could account for 70% of job gains in the Bay Area through 2000, with the strength of international trade being a prime determinant of the continued vitality of the regional economy.

Business Taxes. San Francisco's business tax is assessed either on a firm's total payroll or total gross receipts, with the base chosen which produces the higher tax assessment. A firm is exempt from the business tax if its liability is less than \$2,500, but all businesses must pay a business registration fee of \$150. The registration fee is waived for firms grossing less than \$15,000.

According to Mr. John Tanaka in the Tax Collector's Office, in Fiscal Year 1990-91, only 6,500 of the 56,000 firms doing business in San Francisco, or approximately 11.6%, paid business tax to the City.

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Of the firms which do pay business tax, most pay the tax on payroll rather than gross receipts. In FY 1990-91, according to Mr. Tanaka, the City received \$126 million in payroll taxes and \$21 million in gross receipts taxes, for a total of \$147 million in business tax revenue. (Of the total business tax receipts, this equates to 85.7% payroll tax and 14.3% gross receipts tax.)

The gross receipts tax rate differs for different types of businesses in the City. The Tax Collector classifies businesses among 15 categories, and assigns tax rates of either .123% (\$1.23 per \$1,000 of gross receipts), .15%, or .30% according to the business classifications. According to Mr. Tanaka, these differential rates have been adjusted slightly over the years, but are essentially patterned after the Los Angeles business tax ordinance which was used as a model for San Francisco's business tax when it was adopted in 1968. Many businesses in the Finance, Insurance, and Real Estate sector are exempt from local business taxes under California law.

Mr. Perron notes that prospective changes in the City's tax base and tax revenues resulting from business location decisions should be considered in light of the City's revenue needs and the size of its population. Differential tax rates for different industries result in certain firms contributing more than others to the City's tax revenues. According to Mr. Kent Sims of the Mayor's Office, the Mayor's Office is reviewing the City's current business registration fee, payroll and gross receipts taxes as well as parking taxes concerning the equity, ease of collection and administration and revenue needs of the City.

Mr. Perron also states that problems of job creation and retention are linked to issues of transportation and housing, which affect costs of doing business as well as the quality of life.

Air Quality Control. Stricter air quality regulations promulgated by the Bay Area Air Quality Management District will soon require large employers to design specific measures to improve employee mobility and reduce reliance on single occupancy vehicles. Mr. Perron states that such air quality and transportation standards will have a significant impact on business location decisions, especially for manufacturing firms. Whereas the ratio of jobs to total population is approximately 1:2 in average urban areas, according to Mr. Perron, the City's employment level of approximately 565,000 jobs and total population of approximately 730,000 gives a ratio of 1:1.3. Based on 1990 figures attributed to the Metropolitan Transportation Commission, Mr. Perron indicates that approximately 320,000 San Francisco residents work in the City, suggesting that as many as 245,000 workers may be commuting daily to work in San Francisco from other jurisdictions. Mr. Perron reports that the number of commuters into the City is more conservatively approximated between 150,000 and 200,000.

Mr. Bob Arnold, an economist with the Center for the Continuing Study of the California Economy in Palo Alto, analyzes business and economic conditions in San Francisco and the Bay Area. He states that the local San Francisco economy witnessed a transitional period in the 1980s, when high costs of doing business in the City, largely attributable to the costs of leasing commercial space,

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resulted in relocations away from the City, especially for firms in manufacturing and wholesale trade.

Commercial Costs and Vacancy Rates. Business expansions into San Francisco are influenced in part by the availability and cost of office space. Figures issued in late 1991 by MOBED, citing the Society of Office and Industrial Realtors, indicate that San Francisco's office vacancy rate of 15.1% is the second lowest of the top ten real estate markets in the nation, after New York City (13.7%). The Chamber of Commerce recently announced renewed efforts to attract and retain businesses in San Francisco. According to Mr. Jim Lazarus of the Chamber of Commerce, commercial rents in San Francisco have become more competitive with neighboring communities, but the local business tax is still a significant burden which creates a disincentive to firm location in the City.

Mr. Arnold believes that business costs have now equalized, and that the growth and expansion of service industries in the last decade have led to improved conditions which will enhance job growth and business retention in the 1990s. A major challenge for San Francisco in this economic climate, according to Mr. Arnold, is to provide the skilled workers needed to accommodate the growth of the service sector.

Per capita income/Housing costs. Per capita income in the Bay Area is among the highest in the nation. The \$28,000 per capita income level in the San Francisco Metropolitan Statistical Area (including Marin and San Mateo Counties) in 1989 was the second highest in the nation; San Francisco's level was \$28,742.

Because of the constraints imposed by limited physical space and building restrictions, Mr. Perron states that the location of businesses in San Francisco involves a trade-off between commercial and residential uses of available space, and that this tradeoff raises issues of housing affordability and the economic stratification of San Francisco's population which are political in nature. He notes that high housing costs generate high property and transfer tax revenues for the City, but may lead to out-migration from the City by members of some income groups.

The CCSCE report indicates that per capita income in the Bay Area grew at an average annual rate of 2.1% between 1979-89, faster than the State average of 1.1% and faster than any other region in the State. Total personal income rose at an average annual rate of 3.6% in the same period, compared to the national average of 2.7%. According to the report, however, "high wage rates only partly offset high housing prices," with the Bay Area having the 14th least affordable housing market in the nation, second in California only to Anaheim.

Mr. Arnold comments that the City's economic health can be measured not only by statistics concerning job growth, but by changes in average real income, which has risen in San Francisco and the Bay Area. Higher real income, according to Mr. Arnold, reflects higher levels of productivity and the presence of an increasingly skilled work force, which is characteristic of a higher concentration of service industries. Mr. Arnold also cautions strongly against

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interpreting the effects of a national recession as indicative of structural problems in the local and regional economy, and therefore reiterates his opinion that San Francisco and the Bay Area demonstrate considerable economic strength.

Future Growth of Bay Area Jobs and Population. According to CCSCE's 1991 report, the Bay Area will add more jobs than any California region, except the Los Angeles Basin through the year 2000, although the rate of growth will be the slowest of all regions of the State. Rates of job growth for all regions of California will still exceed the national average.

CCSCE reports that job growth in the Bay Area will entail a substantial increase in population. CCSCE estimates that the region could increase by as many as 877,000 new residents by the year 2000, slightly more than the estimated 844,000 new residents added between 1980 and 1990.

According to U.S. Census figures, San Francisco's population grew by 6.6% in the 1980s, slower than the Bay Area growth rate of 16.5% for the period. The number of Asian residents increased by 43%, while the number of Hispanic residents grew by 20.8%. These figures suggest that the nation's strong increase in immigration from abroad during the decade may have accounted for a significant portion of San Francisco's population growth.

Increased Decentralization of Housing and Jobs. Growth during the 1979-89 period was accommodated through greater decentralization of housing and employment centers. The very high rate of job growth in outlying areas of the region between 1979-90 is shown in Exhibit 1. Changes in percentage employment shares of Bay Area counties between 1972-1989 is shown in Exhibit 2, which reflects the decline in San Francisco's share of Bay Area employment from 25.1% in 1972 to 19.4% in 1989.

Mr. Michael McGill is the Director of the San Francisco Economic Forum, which he describes as a public/private partnership to address issues of regional economic vitality, whose Directors are appointed by the Association of Bay Area Governments and the Bay Area Council, and whose work is financed by corporations throughout the region.

Mr. McGill observes that during the 1970's an average of some 11,000 jobs annually relocated to San Francisco, as compared to fewer than 1,000 in a comparable period between 1980-87. Mr. McGill attributed this change in the rate of job creation to "massive" job relocations to areas outside the City by large corporations during the 1980s, including as many as 30,000 to 40,000 backoffice jobs. Many of these jobs were in the Finance, Insurance, and Real Estate industry, according to Mr. McGill.

Although losses of this magnitude in the relocation of San Francisco jobs to other jurisdictions have now abated, Mr. McGill expects that similar relocations would occur if the City's office vacancy rate in San Francisco falls below 9 percent, from its current level of approximately 12 percent. Because of the imposition of commercial growth restrictions under Proposition M, Mr. McGill expects that the office vacancy rate will fall below this level in the late 1990s.

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Moreover, because new office space takes as many as 7 years to construct, Mr. McGill expects a serious situation to result as the vacancy rate declines, jobs are relocated to other areas, and new commercial space remains unavailable for an extended time.

The relocation of back office jobs has also contributed to the attrition of middle class workers in the City, according to Mr. McGill. He states that this has led to increased stratification between highly skilled workers in service industry occupations, including professional occupations, and low-skilled or unskilled workers in the growing sectors of retail trade, restaurants, and tourism.

The Mission Bay project will provide some additional facilities for back office operations, but for the most part Mr. McGill expects San Francisco to remain uncompetitive with respect to these jobs. He attributes this to planning regulations which require that new commercial projects include a range of public amenities, such as housing and transportation fees, day care, and open space, and that such new commercial projects succeed in design competitions with other proposed projects. Backoffice space is not well-suited to such requirements, according to Mr. McGill.

Housing Construction. Mr. McGill also cites the inadequate size of the City's housing stock and a limited supply of affordable housing as a cause of the City's loss of jobs to outlying communities.

CCSCE reports that residential housing construction in the Bay Area will continue to be strong, but that it will be concentrated outside of San Francisco in areas where land is abundant and less costly. The "residential focus," therefore, "will continue moving to the fringes."

Continued lack of residential space and affordability in San Francisco will result in continuing high prices for labor and possible shortages of skilled workers, continuing problems of inadequate transportation, and continued high personal expenditures for housing services. Mr. McGill recommends that the City amend zoning regulations to permit more extensive housing development in areas such as South of Market.

Mr. McGill comments that the challenge to San Francisco of job creation and business retention is "the challenge of growth generally," which is to target and recruit specific industries best suited for the economic climate in San Francisco and to initiate efforts to keep them in San Francisco. He cites as an example the substantial contributions to the San Francisco economy of the University of California at San Francisco (UCSF), and the need for a public role in assisting UCSF to locate the facilities needed to operate its research facilities and to add up to 1 million additional square feet of space in the near future.

Committee on JOBS. The Committee on JOBS is a group of San Francisco business leaders working to enhance the long-term economic vitality of the City, to ensure that the City remains an attractive and competitive place to live and work. On February 19, 1992, Mr. Sam Ginn, the Chairman of the Committee on JOBS and the Chairman and CEO of Pacific Telesis Group presented the Committee on

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JOBS report to the Finance Committee. This report addresses the need for a partnership between local government and business and community organizations and outlines governmental goals for 1992. These goals include cost effective service delivery, taxation, transportation, permit process, City image and business climate, economic development and the urban environment. Mr. Sims reports that the Mayor's Office is currently reviewing and working with the Committee on JOBS.

Small Business Advisory Commission. The Small Business Advisory Commission, comprised of 11 members has recently reviewed and held hearings regarding changes to the Commission. On March 25, 1992 the Small Business Advisory Commission recommended to amend the San Francisco Administrative Code, Article XIII, to eliminate the Small Business Advisory Commission and instead to establish an overall Business Advisory Commission. Such changes would require approval of the Board of Supervisors and the Small Business Advisory Commission is urging the Mayor to seek adoption of such legislation by the Board of Supervisors. The proposed new Commission would incorporate both large and small, downtown and neighborhood business interests and would increase the number of commissioners from 11 to 15 members. Such an expanded commission could be used to reconcile various business and economic views and provide recommendations to the Mayor and the Board of Supervisors.

Economic Development Plans. Mr. Sims reports that the Mayor's Office is currently developing a Citywide economic development plan and strategy, including identifying the role of the City and specific departments (e.g., the Port and Airport), regulatory and legal requirements, infrastructure needs, targeted industries, housing and transportation needs and many of the issues outlined above. Work on this plan and strategy, which have recently begun are expected to be completed in approximately one year. According to Mr. Sims, it is anticipated that this Citywide plan and strategy can provide a general framework or guidelines for future public policy decisions regarding economic development in the City.

In addition, work has begun on individual neighborhood sector economic development plans, which will attempt to coordinate various City department programs (e.g., Redevelopment Agency, Community Development Block Grant Program, Enterprise Zone, etc.) in addressing economic strategies for these neighborhoods. The first plan, which is nearing completion, will focus on the Bayview and Hunters Point neighborhood. Economic development plans for the Tenderloin and the Mission are anticipated to be conducted next.

Employment Impacts. The Budget Analyst has analyzed the employment impacts on the San Francisco Bay Area of an additional \$1 billion of grant or bond funds to the City. The following two charts reflect the number of direct jobs and the total number of direct and indirect jobs that could be expected to result:



<u>Direct Employment</u>	<u>Number of Direct Jobs Per \$1 Billion</u>	<u>Number of Direct and Indirect Jobs Per \$1 Billion</u>
Construction - Non-residential	9,367	11,709
Construction - Highways and Public Utilities	10,633	12,653
Maintenance and Repair	<u>6,800</u>	<u>8,500</u>
Total	26,800	32,862

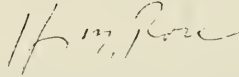
As reflected above, assuming that a total of an additional \$1 billion of grant or bond funds were equally distributed among the above three construction and maintenance sectors of the economy, it is estimated that 26,800 additional direct jobs would be created. Overall, a total of 32,862 direct and indirect jobs would be created if an additional \$1 billion of grant or bond funds were approved by the City.

These estimates are based on the Association of Bay Area Governments (ABAG) Input-Output Model which reflects the impact on the San Francisco Bay Area, which includes the surrounding counties. The impact on San Francisco would be less, although the precise impact on San Francisco cannot be determined. It is also assumed that the jobs created within each of these industries are new jobs and not relocations from other jobs and that all purchases by businesses would come from enterprises within the Bay Area.

General Obligation Bonds. The attached information, prepared by the Office of the Chief Administrative Officer, pertains to the amount of General Obligation bond measures that have been approved by the San Francisco voters, the amount of bonds issued by the City to date, the remaining amount not yet issued and the amount of the four proposed bond measures for the June, 1992 ballot. As reflected in the attachment, since 1986, the voters of San Francisco have approved \$753.3 million of General Obligation bonds. To date, a total of \$390,597,849 of these \$753.3 million of approved bonds have not yet been issued. In addition, another \$148,220,000 for four General Obligation bonds are on the June 2, 1992 ballot. If all four of these bond measures are approved in June, 1992, it would result in a total of \$538.8 million of outstanding bonds to be issued.

Memo to Finance Committee  
May 20, 1992

Based on \$538.8 million of outstanding bonds, using the same ABAG Input-Output Model as above, the Budget Analyst projects this would result in an additional 14,440 direct jobs and an overall total of 17,706 direct and indirect jobs for the San Francisco Bay Area.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey

**BOARD OF SUPERVISORS**  
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## Internal Obligation Bond Elections

Date	Purpose	Amount Authorized	Amount Issued	Less FEMA Funds	Amount Remaining Unissued
4-Nov-86	Fire Protection System Improvements	46,200,000	46,200,000		
3-Nov-87	Police Department Facilities	28,000,000	21,900,000		6,100,000
3-Nov-87	Street and Safety Improvements	27,000,000	27,000,000		
3-Nov-87	SF General Hospital Mental Health Facility	26,000,000	26,000,000		
3-Nov-87	Recreation and Park Facilities	18,000,000	18,000,000		
7-Jun-88	Public School Facilities	90,000,000	90,000,000		
8-Nov-88	Library Facilities	109,500,000	25,000,000		84,500,000
7-Nov-89	Public Safety Improvements (ESP I)	59,700,000	27,000,000		32,700,000
5-Jun-90	Public Safety Improvements (ESP II)	332,400,000	49,500,000	15,602,151	267,297,849
6-Nov-90	Correctional Facilities	16,500,000	16,500,000		

Total To Date

753,300,000

347,100,000

15,602,151

390,597,849

2-Jun-92	Civic Center Garage Expansion	24,000,000			24,000,000
2-Jun-92	Civic Center Heating System	21,220,000			21,220,000
2-Jun-92	Civic Center Plaza Improvements	26,700,000			26,700,000
2-Jun-92	Golden Gate Park Improvements	76,300,000			76,300,000

Proposed Bonds

148,220,000

148,220,000

901,520,000

347,100,000

15,602,151

538,817,849

25  
Memo to Finance Committee  
May 20, 1992

S.F. Public Library, Documents Dept  
Board of Supervisors. Finance Comm ATTN: Gerry Roth  
Budget Analyst Recommendations  
**REVISED**

1/92  
ed)  
Item 9 - File 171-92-2

This item is a hearing to consider San Francisco's contribution to the Fiscal Year 1992-93 Peninsula Commute (CalTrain) Service Operating Budget.

In December, 1991, the Board of Supervisors approved a resolution to authorize the execution of a real property ownership agreement between the members of the Joint Powers Board (JPB) to provide for an orderly system of management, development and eventual disposition of the property, consisting of the 52-mile corridor between San Francisco and San Jose, and for appropriate rights and protections relative to SamTrans' advance of funds for the purchase of the property (File 171-91-20). The JPB consists of members from the City and County of San Francisco, the San Mateo County Transit District (SamTrans) and the Santa Clara County Transit District.

On December 20, 1990, the JPB executed a Letter of Intent with the Southern Pacific Transportation Company for the purchase of the Peninsula Commute Right-of-Way from Southern Pacific Transportation Company, consisting of an approximately 52-mile corridor between 4th and Townsend Streets in San Francisco and Lick Junction in San Jose. The purpose of purchasing the right-of-way is to enable the three counties, San Francisco, San Mateo and Santa Clara, to jointly operate the peninsula commute service (CalTrain).

The same resolution (File 171-91-20) provided that SamTrans would have the option of taking title to the portions of the right-of-way located in San Francisco or Santa Clara Counties if these counties do not provide their share of the right-of-way purchase price, and recognized, but did not require, that San Francisco intends to contribute surplus land owned by the San Francisco Public Utilities Commission's (PUC) Water Department which is located in San Mateo County as its approximate \$10 million share towards the purchase of the right-of-way.

Ms. Robin Reitzes of the City Attorney's Office advises that among the issues to be negotiated between the JPB members would be what to do with the excess if the value of the land owned by San Francisco in San Mateo exceeds \$10 million, e.g., San Francisco might have the option of either receiving the difference in cash, or using the funds for San Francisco's share of operating costs in future fiscal years.

Ms. Reitzes reports that the City is completing negotiations with SamTrans with regard to the process for appraising the 26 parcels of surplus land owned by the Water Department. Ms. Reitzes notes that once the negotiations on the appraisal process and instructions for appraisers have been completed, SamTrans will issue a Request for Proposal (RFP) for appraisers, an appraiser acceptable to both parties will be selected, and an appraisal of the land will be made.

Mr. Harry Quinn of the Department of Real Estate reports that after the appraisal has been made, San Francisco and SamTrans will review the appraisal figures, negotiate and attempt to come to an agreement concerning the appraised value of the land. Mr. Quinn advises that the City and SamTrans have agreed to evenly split the cost of appraising the land and Mr. Bob Mitroff of the PUC reports that the City expects its share of appraisal costs will be less than \$50,000. Both Ms. Reitzes and Mr. Quinn

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BUDGET ANALYST**



estimate that it may take at least nine months or longer to complete the appraisal process. Besides the appraisal process, the City will also need to devote time and resources to test the land for any hazardous wastes, but at this time it is unclear as to when the hazardous waste testing will occur, and what the costs of such testing will be.

Effective December, 1991, the approximately 52 mile long Peninsula Commute Right-of-Way was purchased by the JPB and the portion of the Right-of-Way located in San Francisco and Santa Clara Counties belongs to the JPB while the portion in San Mateo County belongs jointly to SamTrans and the JPB. This arrangement came about in direct proportion to the amount of funding contributed by the respective parties.

Two contractors bid for the opportunity to operate CalTrain, A.T.E. Management and Service Company (ATE), and Amtrak. Since the JPB was unable to reach an agreement with ATE due to an impasse concerning liability insurance, the JPB chose to make the offer instead to Amtrak. Mr. Jim Gallagher of SamTrans advises that starting July 1, 1992, Amtrak will be operating CalTrain.

Currently, Caltrans is still responsible for management and daily operation of the CalTrain service until Amtrak assumes those duties on July 1, 1992. Approximately 40 percent of operating costs are recovered through fares, leaving a 60 percent deficit. The annual Federal subsidy is deducted from the 60 percent deficit. Half of the balance after deducting the Federal subsidy is being borne by Caltrans up through fiscal year 1992-93, and the other half by the Counties of San Francisco, San Mateo and Santa Clara, based on their respective riderships. San Francisco's share is 10.2 percent, San Mateo's share is 51.0 percent, and Santa Clara's share is 38.8 percent.

In addition, administrative expenses for the JPB are divided evenly between the three counties (prior to the new JPB agreement signed in October, 1991, costs associated with administrative oversight of CalTrain were paid by Caltrans, while administrative costs (primarily legal and consulting fees) relating to the establishment and operations of the JPB, starting July 1, 1990, were divided between the agencies based on the same percentages as the operating deficit). Ms. Michelle Witt of the PUC advises that San Francisco's cumulative share of the JPB administrative expenses, starting before 1987 through June 30, 1992, now totals \$353,661. This amount has been paid by SamTrans, but is now due to SamTrans from the City as part of the transition towards having the JPB manage CalTrain.

On April 7, 1992, the JPB adopted an amended fiscal year 1992-93 budget, making San Francisco's projected share of operating costs \$1,299,014 (a preliminary budget had allocated operating costs of \$1,541,277 to the City), based on the assumption that ATE would be operating CalTrain. San Francisco's contribution for the operating deficit is about \$893,116, and an additional \$405,898 is for administrative expenses. Mr. Gallagher advises that the operating costs were lowered (and therefore, San Francisco's allocation of costs was also lowered) as a result of the following factors: a fare increase scheduled to take effect in September, 1992; the opening of a new station in southern San Jose; new ridership scheduled to start after July 1, 1992; and the decision to not fill oversight positions, instead retaining consultants to play an oversight role. At the time of this writing, Ms. Brigid Hynes-Cherin, Director of the San Francisco County Transportation Authority, had confirmed with the JPB that both Amtrak's and ATE's costs had been similar, so it now appears that it will not be necessary for JPB to revise its



fiscal year 1992-93 budget to take into account the selection of Amtrak as the CalTrain operator.

Ms. Kathleen Kelly of the PUC advises that for fiscal year 1992-93, the City has budgeted \$950,000 from General Fund monies, all of which would come from Muni's budget, as its share of CalTrain's operating costs, and that presently, there are enough funds to pay for almost 9 months of the City's current projected share of operating costs of \$1,299,014. Ms. Kelly notes that the City has two options: (1) it can use the credit from its surplus land toward operating costs to make up the difference between the \$950,000 and the \$1,299,014; or (2) it can appropriate additional monies from the General Fund to make up the shortfall. The shortfall for fiscal year 1992-93 is currently estimated at \$349,014 (\$1,299,014 budgeted less \$950,000 from Muni's General Fund budget).

Mr. Mitroff and Mr. Richard Cassinerio of SamTrans also report that San Francisco's share of CalTrain's operating expenses for fiscal year 1991-92 will exceed the budgeted amount of \$950,000 by an estimated \$832,394 due to the following additional expenses:

(1) \$353,661 for the City's share of the JPB's administrative expenses through June 30, 1992 (attributable to costs associated with the development and award of CalTrain's operating contract, the Environmental Impact Statement for the Downtown San Francisco Extension Project, and the acquisition of the Southern Pacific Right-of-Way);

(2) \$281,607 for start-up costs to bring Amtrak on line by July 1, 1992;

(3) \$57,876 to substitute for a Federal Section 9 operating grant, which was included in the JPB's 1991-92 budget, but has been delayed due to unresolved labor issues;

(4) \$89,250, which is San Francisco's share of the acquisition of the Palo Alto station (75 percent of the purchase price is being paid by the Federal government while San Francisco is paying 25 percent of the balance since the State recently determined it will not be able to subsidize the purchase); and

(5) \$50,000 to pay the contractor who will conduct the appraisal of the San Francisco Water Department's surplus land which was transferred to the JPB in lieu of San Francisco's local match for the Right-of-Way acquisition.

The PUC informed the Mayor's Office on April 1, 1992 of the above-listed additional JPB costs (with the exception of the \$89,250 for the purchase of the Palo Alto station, as this is a more recent development) which San Francisco is to assume in its fiscal year 1991-92 budget. The total amount which the City has budgeted for CalTrain in fiscal year 1991-92 is \$950,000. As of the writing of this report, the Mayor's Office has not identified funds for these additional costs.

Mr. Stuart Sunshine, Assistant to the Mayor for Transportation, advises that presently, the Mayor's proposed budget for fiscal year 1992-93 only includes \$950,000 for the City's share of CalTrain's operating costs and that the Mayor's Office hopes that the

appraisal process can be completed by the time the \$950,000 has been provided to the JPB, so that some credit for the City can be applied against its surplus land.

Ms. Linda Rhine of JPB's Planning Department reports that her office is in the process of developing nine year operating budget projections and a capital improvement plan for CalTrain (also known as the Short Range Transit Plan), which will be completed in July, 1992. Ms. Rhine has provided the following preliminary operating cost projections for San Francisco:

	<u>Number of Trains</u>	<u>Annual Projected Cost to City</u>
<u>FY 1992-93</u>	60	\$1,299,014
<u>FY 1993-94</u>	60	\$2,511,400
<u>FY 1994-95</u>	66	\$3,046,600
<u>FY 1995-96</u>	66	\$3,204,700
<u>FY 1996-97</u>	66	\$3,370,600
<u>FY 1997-98</u>	66	\$3,545,000
<u>FY 1998-99</u>	66	\$3,728,000
<u>FY 1999-2000</u>	66	\$3,920,100
<u>FY 2000-2001</u>	66	\$4,121,900

Ms. Rhine notes that these figures are likely to change when the contract with Amtrak is finalized, and as the JPB evaluates its cost and revenue assumptions. Ms. Rhine reports that the projections assume that CalTrain will operate 66 trains starting July 1, 1994 through the year 2001, and that Caltrans' subsidy will cease, starting in fiscal year 1993-94. These projections also assume that San Francisco's share will continue to be 10.2% of the JPB share up through fiscal year 2000-2001, that there will not be a downtown extension in San Francisco and that the Federal subsidy of CalTrain will continue up through 2001.

The above listed projections show that San Francisco's share of operating costs almost doubles after fiscal year 1992-93, due to the fact that the State subsidy will cease to subsidize operating costs by 50 percent after fiscal year 1992-93. The amended Joint Powers Agreement (approved by the Board, per File 172-91-16) requires that these operating costs be subject to the Board of Supervisors' approval on an annual basis. In addition, the real property ownership agreement adopted by the Board (File 171-91-20) provides that San Francisco could terminate its participation in the JPB Agreement at the end of any fiscal year, provided that one year's notice is given to the other JPB members.

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Action Taken

CALENDAR

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, MAY 27, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

ABSENT: SUPERVISOR MIGDEN - ITEMS a, e, f, g, h,  
i, j, k, l, m, n

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 101-90-76.1. [Release of Funds] Requesting release of reserved funds, Department of Public Health, in the amount of \$150,000, for San Francisco General Hospital Medical Center Nuclear Medicine Relocation Construction Project. (Department of Public Health)
- b. File 101-91-1.1. [Release of Funds] Requesting release of reserved funds, Sheriff Department, in an amount totalling \$134,405, (\$109,405 reserved in Ordinance No. 261 and \$25,000 reserved in Ordinance No. 322-91) for permanent salary obligations through the end of the Fiscal Year 1991-92. (Also See Files 101-91-1 and 101-91-8) (Sheriff)
- c. File 100-91-1.28. [Release of Funds] Requesting release of reserved funds, Department of Public Health, in the amount of \$97,200, for temporary salaries at various AIDS Health Centers. (Department of Public Health)
- d. File 101-91-66. [Government Funding] Ordinance appropriating \$10,000, Police Department - Office of Citizen Complaints, for other current services (relocation expenses) and reducing \$10,000 from other contractual services. RO #91222 (Controller)
- e. File 25-92-15. [Contracting Out City Services] Resolution concurring with the Controller's certification that computer programming services to the Department of the Board of Supervisors' Legislative Index System can be practically performed by private contractor for lower cost than similar work performed by City and County employees. (Board of Supervisors)

- f. File 25-92-16. [Contracting Out City Services] Resolution concurring with the Controller's certification that janitorial services at the Ferry Building and surrounding areas, the Agricultural Building, the Cruise Ship Terminal and at various Port piers can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Port)
- g. File 25-92-17. [Contracting Out City Services] Resolution concurring with the Controller's certification that security services for the Port of San Francisco can be practically performed by private contractor at lower cost than similar work services performed by City and County employees. (Port)
- h. File 25-92-18. [Contracting Out City Services] Resolution concurring with the Controller's certification that stationary engineering services can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department)
- i. File 28-92-7. [Emergency Repair] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace the damaged ceramic fiber insulation of the waste gas flares at the Southeast Water Pollution Control Plant with high temperature insulating brick - \$51,150. (Department of Public Works)
- j. File 38-92-7.1. [Gift Acceptance - SF Foundation] Resolution authorizing the Mayor's Office to accept miscellaneous computer equipment valued at \$36,680 from the San Francisco Foundation for use by the Mayor's Budget Office and the Mayor's Office of Economic Planning and Development. (Mayor)
- k. File 38-92-14. [Acceptance of Gift] Resolution accepting a gift to the San Francisco Public Library of a Bookmobile, valued at \$113,000, from the Friends of the San Francisco Public Library. (Public Library)
- l. File 38-92-15. [Acceptance of Gift] Resolution accepting a gift from the Library Foundation of San Francisco for videotape preservation services and equipment valued at \$18,962, to be use to clean and reformat the Peter Adair Videotape Collection already donated to the Library's Gay/Lesbian Center. (Public Library)
- m. File 38-92-16. [Acceptance of Gift] Resolution accepting a gift from the Library Foundation of San Francisco of books, periodicals, manuscripts, correspondence and photographs from the collection of Barbara Grier and Donna McBride, valued at \$400,000, to be donated to the Library's Gay/Lesbian Center. (Public Library)
- n. File 130-92-1. [Grant - State Funds] Resolution authorizing the Adult Probation Department and Juvenile Probation Department of the City and County of San Francisco to retroactively apply for, accept and expend \$140,273 in funds from the State of California Board of Corrections and Probation Officers Programs; stipulating adherence to standards of recruitment and training established by the Board of Corrections and waiving any indirect costs. (Supervisor Gonzalez)
- o. File 130-92-2. [Anti-Drug Abuse Funds] Resolution authorizing the Chief Adult Probation Officer of the City and County of San Francisco to retroactively apply for, accept and expend funds in the amount of \$22,875 made available through the Office of Criminal Justice Planning for a project entitled "County Master Plan, Criminal Justice System Assistance Program." (Mayor)



- p. File 143-92-1. [Office of Criminal Justice Planning Funding] Resolution authorizing the Chief of Police of the City and County of San Francisco to apply for, accept and expend fund in the amount of \$110,000 made available through the Office of Criminal Justice Planning for a project entitled "Crime Prevention Expansion Project, Mission Corridor"; and agreeing to provide cash match in the amount of \$12,222 dollars. (Police Commission)

ACTION: Items b, c, d, o and p removed from Consent Calendar. Remainder of Consent Calendar recommended.

Item 1b, File 101-91-1.1. Release of \$79,628 recommended. Filed. (Controller to be requested to return balance of funds placed on reserve, in the amount of \$54,777, to the General Fund.)

Item 1c, File 100-91-1.28. Release of \$60,662 recommended. Filed. (Controller to be requested to return balance of funds placed on reserve, in the amount of \$36,538, to the General Fund.)

Item 1d, File 101-91-66. Amended. (See File for details.) Recommended as amended. New title: "Appropriating \$10,000, Police Department – Office of Citizen Complaints, for other current services (relocation expenses) and reducing \$10,000 from other contractual services; retroactive to April 1, 1992."

Item 1o, File 130-92-2. Amended on page 1, line 5, after "Program", by adding "which includes indirect costs in the amount of \$1,144, based on five percent of the total award." Recommended as amended. New title: "Authorizing the Chief Adult Probation Officer of the City and County of San Francisco to retroactively apply for, accept and expend funds in the amount of \$22,875, made available through the Office of Criminal Justice Planning for a project entitled 'County Master Plan, Criminal Justice System Assistance Program', which includes indirect costs in the amount of \$1,144, based on five percent of the total award."

Item 1p, File 143-92-1. Continued to the Call of the Chair, at the request of the Police Department.

### REGULAR CALENDAR

2. File 94-91-4.3. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount of \$65,000, for Municipal Railway Contract No. MR-1039-R, Curtis E. Green Light Rail Facility, Geneva Site, Maintenance Building, Paint Booth Fans Modification. (Public Utilities Commission)  
(Cont'd from 5/20/92)

ACTION: Continued to June 3, 1992, meeting.

3. File 192-92-2. [Grant – State Funds] Resolution authorizing the Executive Director of the Department of Parking and Traffic and the Director of Public Works to apply for, accept and expend \$450,000 of Transportation Development Act (TDA) Article 3 Funds for bicycle/pedestrian projects foregoing reimbursement of indirect costs. (Department of Parking and Traffic)  
(Cont'd from 5/20/92)

ACTION: Hearing held. Continued to June 10, 1992, meeting.



4. File 97-92-29. [Employee Health Coverage] Ordinance amending Section 16.157 of the San Francisco Administrative Code, approving Health Service System Plans and Rates of Contribution as adopted by the Health Service Board. (Supervisor Gonzalez)  
(Cont'd from 5/20/92)

ACTION: Recommended.

5. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)  
(Cont'd from 5/20/92)

ACTION: Hearing held. Continued to June 3, 1992, meeting.

6. File 148-92-2. [Grant - Federal Funds] Resolution authorizing the Director of Public Works to apply for, accept and expend \$8,200,000 in Federal funds for seismic retrofitting, modifications and rehabilitation of various bridges in San Francisco. (Department of Public Works)

ACTION: Amended. (See files for details.) Recommended as amended. New title: "Authorizing the Director of Public Works to apply for, accept and expend \$6,560,000 in Federal funds for seismic retrofitting, modifications and rehabilitation of various bridges in San Francisco; placing \$5,500,000 on reserve."

7. File 123-92-1. [Excavation Fees] Ordinance amending Public Works Code, by amending Sections 352, 353, 368 and 374 and adding Sections 352.1 and 352.2, to authorize the Director of Public Works to set schedules of fees and to collect fees to recover costs of administering and regulating permitted excavations. (Department of Public Works)

ACTION: Continued to June 10, 1992, meeting.

8. File 64-92-6. [Extension and Modification of Lease] Resolution authorizing extension and modification of an existing lease of real property at 23rd and Illinois Streets, for the Public Utilities Commission, Municipal Railway. (Real Estate Department)

ACTION: Recommended.

9. File 97-92-30. [Cost Recovery - Parking and Traffic] Ordinance amending Administrative Code by adding Sections 10B.16 through 10B.20 thereto, providing for recovery of costs for additional parking enforcement and traffic control and related services rendered by the Department of Parking and Traffic. (Department of Parking and Traffic)

ACTION: Continued to July 1, 1992, meeting.

THE FOLLOWING FOUR BOND ITEMS HAVE BEEN CALENDARED SOLELY FOR THE PURPOSE OF HEARING PRESENTATIONS BY DEPARTMENTS. THERE WILL BE NO REPORTS BY THE CAPITAL IMPROVEMENT ADVISORY COMMITTEE OR THE BUDGET ANALYST. IT IS THE INTENTION OF THE CHAIR TO CONTINUE THE FOLLOWING ITEMS (FILES 170-92-5, 170-96-6, 170-92-7 and 170-92-8) TO JUNE 10, 1992:

10. File 170-92-5. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of correctional facilities, to replace the existing San Bruno Jail facilities, including replacement, housing, associated health and safety improvements and related acquisition, construction or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$158,100,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Gonzalez)

ACTION: Continued to June 10, 1992, meeting.

11. File 170-92-6. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of long term care facilities, including replacement of Laguna Honda Hospital facilities, improvements to existing Laguna Honda Hospital structures, and related acquisition, construction or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$548,400,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Gonzalez)

ACTION: Continued to June 10, 1992, meeting.

12. File 170-92-7. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of a Juvenile Justice Complex, including health and safety improvements, asbestos management, disabled access and structural and security improvements to the existing Youth Guidance Center and Juvenile Hall, a new juvenile Justice Complex and community based facilities, that the estimated cost of \$78,900,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Kennedy)

ACTION: Continued to June 10, 1992 meeting.

13. File 170-92-8. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of Fire Department facilities, including seismic strengthening, asbestos abatement, disabled access, separate bathroom and changing areas for male and female firefighters, improvements to the auxiliary water supply system and related acquisition, construction or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$97,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Conroy)

ACTION: Continued to June 10, 1992, meeting.

SPECIAL ORDER – 3:00 P.M.

14. File 121-92-5. [Litter Enforcement] Ordinance amending Part II, Chapter VIII, San Francisco Municipal Code (Police Code) by amending Article I, Section 38 to add one designated officer for the purpose of enforcing laws relating to littering. (Supervisor Shelley)

ACTION: Amendment of the Whole bearing same title, as presented by Supervisor Shelley, adopted. Recommended as amended.

15. File 12-92-21. [Business License Renewal] Resolution urging San Francisco's Legislative Advocate to urge San Francisco's State Legislative Delegation to introduce legislation directing the Municipal Court to transmit information to the Tax Collector of outstanding litter violations prior to the renewal of a business license. (Supervisors Shelley, Kennedy)

ACTION: Amendment of the Whole, as presented by Supervisor Shelley, adopted. Recommended as amended. New title: "Urging the Municipal Court of the City and County of San Francisco to provide the Tax Collector of the City and County of San Francisco with a regular, updated list of businesses that have outstanding litter violations, and directing the Clerk to transmit a copy of this resolution to the Municipal Court."

16. File 26-92-1. [Parking Fines] Resolution urging the Chief Administrative Officer to urge the Director of the Department of Public Works to consider legislation to increase the penalty for street cleaning parking violations from \$15 to \$20. (Supervisors Shelley, Kennedy)

ACTION: Amendment of the Whole, as presented by Supervisor Shelley, adopted. Recommended as amended. New title: "Urging the Municipal Court of the City and County of San Francisco to impose a minimum penalty of \$23 within the Traffic Bail Schedule for violation of prohibited parking for street cleaning, pursuant to Seciton 37 (c) of the San Francisco Traffic Code."

17. File 26-92-2. [Street Sweeping] Resolution urging the Chief Administrative Officer to urge the Director of Public Works to increase the frequency of mechanical street sweeping in the designated downtown areas and urging that the mechanical street sweeping program be expanded to include additional areas. (Supervisors Shelley, Kennedy)

ACTION: Amended on page 2, line 4, by deleting "by submitting". Further amended on page 2, by deleting line 5; and on line 6 by deleting "approval by the Board of Supervisors". Recommended as amended.

18. File 217-92-1. [Neighborhood Beautification Fund] Resolution urging the Chief Administrative Officer to institute a neighborhood outreach program to inform eligible groups of the Neighborhood Beautification Fund and to encourage them to apply for funding to purchase trashcans and steam-cleaning services. (Supervisors Shelley, Kennedy)

ACTION: Recommended.

19. File 217-92-2. [Renter Recycling Bags] Resolution urging the Chief Administrative Officer to develop a component within the City's Recycling Program that would provide reusable bags to renters for the purpose of collecting and depositing recyclable materials and urging that such provision be supported by a public/private partnership. (Supervisors Shelley, Kennedy)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Urging the Chief Administrative Officer to develop a component within the City's Recycling Program that would provide reusable bags, buckets or other mechanisms to renters for the purpose of collecting and depositing recyclable materials and urging that such provision be supported by a public/private partnership."

20. File 217-92-3. [Plaza Cleaning – Weekends] Resolution urging the Chief Administrative Officer to urge the Director of Public Works to implement cleaning of the United Nations Plaza and Hallidie Plaza on weekends and holidays that fall on weekdays. (Supervisors Shelley, Kennedy)

ACTION: Recommended.

21. File 217-92-4. [Litter Prevention — Covered Trucks] Resolution urging the Mayor to urge the Chief of Police to enforce provisions of the California Vehicle Code that require vehicles transporting certain materials to be covered to prevent the material from spilling or falling from the vehicle. (Supervisors Shelley, Kennedy)

ACTION: Recommended.

22. File 217-92-5. [Public Education — Litter] Resolution urging the Mayor and the Chief Administrative Officer to develop a coordinated public education campaign which encourages merchants and residents to keep the streets clean and informs the public about anti-littering laws and penalties. (Supervisors Shelley, Kennedy)

ACTION: Recommended.

23. File 217-92-6. [Litter Reduction] Resolution urging the Chief Administrative Officer to urge the Director of the Department of Public Works to double the number of trashcans on city streets. (Supervisors Shelley, Kennedy)

ACTION: Amendment of the Whole, as presented by Supervisor Shelley, adopted. Recommended as amended. New title: "Urging the Chief Administrative Officer to urge the Director of the Department of Public Works to increase the number of trashcans on City streets, and to examine the possibility of private sector funding for that purpose."

24. File 217-92-7. [Recycling Bin Hours] Resolution urging the Chief Administrative Officer to consider introducing legislation that would limit the hours recycling bins may be left on the sidewalk. (Supervisor Shelley)

ACTION: Recommended.

25. File 217-92-8. [Illegal Dumping Fine] Resolution urging the Department of Public Works to consider introducing legislation increasing the fine for illegal dumping of refuse from \$52 to \$500. (Supervisor Shelley)

ACTION: Amendment of the Whole, as presented by Supervisor Shelley, adopted. Recommended as amended. New title: "Urging the Municipal Court of the City and County of San Francisco to increase the bail for illegal dumping of refuse from \$52 to \$500, and directing the Clerk of the Board of Supervisors to transmit a copy of this resolution to the Municipal Court."

26. File 217-92-9. [Neighborhood Litter Reduction] Resolution urging the Department of Public Works to direct its resources so as to reduce litter in neighborhoods that are most affected. (Supervisor Shelley)

ACTION: Recommended.



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CITY AND COUNTY



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ATTN: Gerry Roth  
OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

May 22, 1992

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MAY 26 1992

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TO: Finance Committee  
FROM: Budget Analyst  
SUBJECT: May 27, 1992 Finance Committee Meeting

Item 1a - File 101-90-76.1

**Department:** Department of Public Health (DPH),  
San Francisco General Hospital (SFGH)

**Proposed Action:** Release of reserved funds previously approved for SFGH's Nuclear Medicine relocation construction project. The funds were reserved pending submission of budget details of the project which reflect the actual contract amount for the construction work and information on the MBE/WBE status of the contractor.

**Amount:** \$150,000

**Source of Funds:** Funds paid to San Francisco General Hospital by the Gladstone Foundation pursuant to the Foundation's lease agreement with SFGH.

**Description:** The Gladstone Foundation, a non-profit cardiovascular research institute, has leased space at San Francisco General Hospital (SFGH) since 1977. The Foundation requested in 1989 that SFGH provide the Foundation with additional space and the two parties agreed to negotiate a completely new lease. The Board of Supervisors approved this lease in January, 1990 (File 65-89-10). Under the terms of the new lease, Gladstone Foundation agreed, among other considerations, to pay \$300,000 to SFGH at the beginning of the leasehold term. In return, SFGH agreed to reduce the Foundation's rent and utilities charges by \$150,000 in fiscal years 1992-93 and 1993-94, for a total rent and utility reduction of \$300,000. Gladstone Foundation and SFGH agreed to these

terms in order for SFGH to receive a lump sum payment of \$300,000 for two capital improvement projects.

The first of the two capital improvement projects at SFGH is the renovation of Ward 24, which is located in Building 20. The project budget for the renovation of Ward 24 was approved by the Board of Supervisors as part of the initially requested Supplemental Appropriation Ordinance (File 101-90-76). Partially financing this budget was \$150,000 of the \$300,000 lump sum payment from Gladstone.

The second project involves the relocation of SFGH's Nuclear Medicine Department to the ground floor of SFGH's main Hospital building. SFGH's Nuclear Medicine Department is currently located in the basement of Building 100. According to SFGH, this building does not meet the construction codes required of inpatient facilities and, as such, has become a serious licensure and accreditation issue. According to SFGH, it would be more efficient and less costly to move the Nuclear Medicine Department to the ground floor of the main Hospital building than to attempt to bring Building 100 up to the strict standards of the Hospital building codes.

The balance of \$150,000 from the \$300,000 Gladstone payment for the Nuclear Medicine project was placed on reserve pending the selection of the project contractor, including the actual contract amount for construction work, along with information on the MBE/WBE status of the contractor. SFGH reports that the construction budget for the project is as follows:

Project Budget

Base Construction	\$997,300
Construction Contingency	395,335
Construction Testing	5,000
Bureau of Architecture Administration Fees	50,000
Bureau of Architecture Inspection Fees	<u>40,000</u>
Total	\$1,487,635

In addition to the \$150,000 of revenues from Gladstone, SFGH reports that the balance of \$1,337,635 for the Nuclear Medicine project will be funded from \$249,975 in State grant funds, \$380,000 from the lease of dental space by the University of California, and \$707,660 in General Fund monies, (\$441,149 appropriated in the 1988-89 SFGH budget and \$266,511 appropriated under File 101-83-4).

**Comments:**

1. Mr. Philip Sowers of the Bureau of Architecture reports that six of the seven bids submitted for the Nuclear Medicine project were from firms certified by the Human Rights Commission as either MBE or WBE firms. The contract was awarded to Barnes/Lem Construction Company, a joint venture. Lem Construction Company has been certified as an MBE firm by the Human Rights Commission. Barnes Construction Company is neither an MBE nor WBE firm. Mr. Sowers reports that 51 percent of the contract will be performed by Lem Construction Company and 49 percent will be performed by Barnes Construction Company.

2. SFGH's initial estimate of the construction cost of the Nuclear Medicine project was \$1,339,080. The proposed contract for the actual work is \$997,300 or \$341,780 less. This reduced project scope has resulted in SFGH placing most of these funds into a Construction Contingency account which now totals \$395,335 or approximately 40 percent of the construction contract.

3. Ms. Angela Carmin of SFGH states that the Construction Contingency account has been budgeted at so a high a percentage of construction costs because the original project scope did not include certain required space renovations for which these excess funds can now be used. Ms. Carmin states that these additional renovations will be performed by the same contractor through a change order with the proposed contractor. The \$395,335 Construction Contingency will be budgeted as follows:

Contingency for Nuclear Medicine Project	\$114,335
(11.5 percent of \$997,300 construction contract)	

Additional Renovations

Construction Cost Additional Improvements	120,000
Contingency/Project Administration	60,000
Lab Furnishings	<u>101,000</u>

Total	\$395,335
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**Recommendation:** Release the \$150,000 in reserved funds.



Item 1b - File 101-91-1.1

**Department:** Sheriff's Department

**Item:** Request for release of a budgetary reserve of General Fund appropriated monies for permanent salaries obligations through the end of Fiscal Year 1991-92.

**Amount:** \$134,405

**Source of Funds:** General Fund

**Description:** The Board of Supervisors in the FY 1991-92 Annual Appropriation Ordinance created a reserve of \$109,405 as follows:

<u>Court Security and Process</u>	
Permanent Salaries-Misc.	\$101,301
Mandatory Fringe Benefits	<u>8,104</u>
Total	\$109,405

The funds were reserved because of projected attrition and vacancies in the Sheriff's Department that may have eliminated the need for permanent salary funding.

In addition to the above funds reserved in the 1991-92 budget, the Board of Supervisors previously approved a supplemental appropriation request under Ordinance 322-91 (File 101-91-8) in August of 1991. This supplemental request appropriated \$500,000 for permanent salaries, related mandatory fringe benefits, office supplies, and other expenses including \$25,000, related to jail overcrowding, for contractual services. The outside contract was to fund one Criminal Justice Administration Group (CJAG) Coordinator. Release of the \$25,000 reserve was contingent upon the Sheriff's Department providing the Finance Committee information regarding the contractor's hourly rates, estimated hours, and MBE/WBE status.

The Sheriff presently reports that, based on meetings with the City Attorney's Office, the \$25,000 will not be needed for the Coordinator for the balance of fiscal year 1991-92.

The Sheriff's Department projects a \$139,003 deficit in permanent salaries through June 30, 1992. Although there is no projected deficit in retirement costs, the Sheriff requests the full reserve of \$109,405, as shown above, be released for permanent salaries to offset the projected deficit. The Sheriff's Department also requests the reserve of the \$25,000 set aside for the CJAG Coordinator be released to be used,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



instead, for permanent salaries to further offset the projected deficit in permanent salaries. A supplemental is being processed by the Mayor's Office to provide the additional \$4,598 (\$139,003 deficit less \$134,405 from this request) needed to offset the remaining deficit.

**Comments:**

1. The Budget Analyst's analysis of this subject request is as follows:

Revised Appropriation for Permanent Salaries	\$22,946,107*
Revised Appropriation for Mandatory Fringe Benefits (MFB)	<u>2,086,824**</u>
Funds Available	\$25,032,931
Less: Actual expenditures for Permanent Salaries and MFB through 4/10/92***	(19,441,452)
Projected expenditures from 4/11/92 through 6/30/92	<u>(5,671,107)</u>
Projected Shortfall	(\$79,628)
 Amount Requested	 <u>134,405</u>
 Amount of Requested Funds not needed	 <u>\$54,777</u>

\* Excludes \$101,301 in reserved funds.

\*\* Excludes \$8,104 in reserved funds.

\*\*\* 20.4 of 26.2 pay periods.

2. The Sheriff's Department has expended approximately \$953,012 per pay period for Permanent Salaries and related mandatory fringe benefits for the first 20.4 pay periods of FY 1991-92. Using the sum of \$953,012 per pay period, the Department would require a total of \$5,527,470 for Permanent Salaries and related mandatory fringe benefits for the 5.8 remaining pay periods in FY 1991-92. However, the Department reports that it needs the \$5,671,107 projected above, as a minimum, because of additional payments of approximately \$400 per Sheriff's Deputy for premium pay, in accordance with a Memorandum of Understanding, that resulted in an expenditure of approximately \$168,000 that is not included in the actual expenditure amount shown above, and because of a supplemental appropriation in November of 1991 authorizing an additional 14 positions, thereby requiring additional salary monies.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
May 27, 1992

- Recommendations:**
1. Release the reserved funding in the amount of \$79,628. Do not release funding in the amount of \$54,777 on reserve.
  2. Direct a letter to the Controller requesting that the \$54,777 in unneeded monies be returned to the General Fund.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1c - File 100-91-1.28

**Department:** Department of Public Health

**Item:** Request for release of \$97,200 for temporary salaries at various AIDS Health Centers, reserved during fiscal year 1991-92 budget hearings pending a report to the Finance Committee concerning the nature of the services to be provided.

**Amount:** \$97,200

**Source of Funds:** General Fund

**Description:** During fiscal year 1991-92 budget hearings, the Finance Committee appropriated \$160,757 for temporary salaries for the AIDS Health Centers, but placed \$97,200 of this amount on reserve pending a description of the positions and services to be funded.

DPH is now requesting release of the \$97,200 of reserve funds to compensate one Physician Specialist, one Registered Nurse, and one Nurse Practitioner who are providing health services to HIV-positive individuals through the City's District Health Centers.

Since January 1992, DPH has expended \$38,428 to pay salary costs for these positions in excess of the \$63,557 (\$160,757 appropriated less \$97,200 reserved) originally allocated for temporary salaries.

DPH is requesting release of the \$97,200 placed on reserve because it has overspent its allocation for temporary salaries by \$38,428 and to fund the positions for the remainder of the fiscal year.

**Comments**

1. Ms. Janet Murphy of the DPH Administrative Services Unit states that the three employees whose salaries would be paid with these funds have been employed in their current capacities since prior to the FY 1991-92 budget hearings. Ms. Murphy is uncertain why the funds were placed on reserve, since there were no changes from the prior year in the nature of the duties performed by these individuals.
2. Ms. Murphy states that the duties performed by the employees are as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The Physician Specialist (at 64% FTE) is employed at District Health Center No. 1 on 17th Street in the Castro District, where this physician provides primary health care services to HIV-positive individuals. The Health Center has more than 1,000 patients and the caseload is expected to increase by another 250 persons during the next 12 months.

The Registered Nurse is employed at Health Center No. 2 at 1301 Pierce Street in the Western Addition, and also provides primary care to HIV-positive individuals.

The Nurse Practitioner "floats" among Health Centers 2, 3, 4, and 5 and provides services to women and children with HIV, including family planning counseling for women at high risk for HIV, perinatal services for women with HIV, and treatment of children with HIV.

3. In addition to these temporary positions, the AIDS Health Centers unit of the DPH budget includes three permanent health professionals. These are a Physician Specialist assigned to Health Center No. 1, a Registered Nurse assigned to Health Center No. 1, and a Public Health Nurse who acts as a liaison for AIDS services provided at Health Centers 2, 3, 4, and 5. The Public Health Nurse assists health care personnel at these health centers in meeting the medical needs of patients with HIV, makes referrals to community-based agencies, and accepts and evaluates referrals from San Francisco General Hospital.

4. The annual salary costs of the three temporary employees, based on information provided by DPH, are as follows:

<u>Position</u>	<u>Salary @ Step V</u>	<u>FTE</u>	<u>Amount</u>
2230 Physician Specialist	\$81,276	.64	\$52,017
2320 Registered Nurse	52,421	1.00	52,421
2328 Nurse Practitioner	63,194	1.00	<u>63,194</u>
Total			\$167,632

Ms. Murphy states that fringe benefits are excluded from DPH estimates of these personnel costs because fringe benefits for these individuals have been paid from a separate account, using surplus funds available as a result of the City's hiring freeze which took effect in October 1991. Ms. Murphy indicates that sufficient funds are available to pay fringe benefits associated with these three temporary positions for the remainder of the fiscal year.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



5. DPH has expended a total of \$101,977 in temporary salaries for the AIDS Health Centers since the beginning of the fiscal year. DPH first expended \$63,549 of the \$63,557 in budgeted funds which were allocated for AIDS Health Centers during the budget hearings. In addition, DPH has expended a total of \$38,428, through April 24, 1992, in excess of the funds allocated for these positions. Thus, DPH has paid compensation of \$101,977 (\$63,549 + \$38,428) for these positions through April 24, 1992, which is 82.1 percent of the fiscal year (21.5 pay periods through April 24, 1992 is 82.1 percent of 26.2 pay periods for the fiscal year).

However, the amount paid so far this year (\$101,977) represents only 60.8 percent of the estimated annual salary cost presented in Comment No. 4 above, which was provided by DPH.

Based on actual year to date payments of \$101,977 over 82.1 percent of the fiscal year, the Budget Analyst estimates that funds are required in the amount of \$22,234 to sustain the same level of service over the remainder (17.9 percent) of the fiscal year (\$101,977 is 82.1 percent of an annual salary cost of \$124,211). In addition, DPH has already expended \$38,428 of the reserved funds for temporary salaries which has not yet been approved by the Finance Committee.

Thus, to continue the services of the temporary employees for the remainder of the fiscal year, and to reimburse the Department for using funds from the salary reserves, release of reserved funds would be necessary as follows:

Continued services	
(17.9 percent of FY @ \$124,211/year)	\$22,234
Excess expenditures not yet approved by the Finance Committee	<u>38,428</u>
Total:	\$60,662

**Recommendation:** In light of the use of funds for expenditures for temporary salaries by DPH, not yet approved by the Finance Committee, approval of the request for release of reserve funds is a policy matter for the Board of Supervisors.

If the request is approved, the Budget Analyst recommends that funds be released in the amount of \$60,662, rather than in the amount of \$97,200 which was requested, and that the Controller be requested to return the balance of the funds placed on reserve, in the amount of \$36,538, to the General Fund.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1d - File 101-91-66

- Department:** Police Department  
Office of Citizen Complaints (OCC)
- Item:** Supplemental appropriation ordinance for other current services (relocation expenses) and reducing \$10,000 from other contractual services, Police Department - Office of Citizen Complaints for Fiscal Year 1991-92.
- Amount:** \$10,000
- Source of Funds:** Reappropriation of previously budgeted General Fund monies for Other Contractual Services.
- Description:** The proposed supplemental appropriation funds would be used for the relocation expenses (moving) from Washington, D.C. to San Francisco of the new Director of the Office of Citizen Complaints (OCC). The OCC reports that it has sufficient funds in its other contractual services 1991-92 budget to pay for these relocation costs.
- Comments:**
1. According to Ms. Irene Raposa of the Police Department, all of the proposed \$10,000 would pay for the one-time moving costs for the new Director of the OCC to move from Washington, D.C. to San Francisco. Ms. Raposa reports that thus far, approximately \$4,500 has been incurred for moving expenses, including contracting with a moving company. Therefore, because obligations for these moving expenses have been incurred prior to the Board of Supervisors approval of the proposed ordinance, the proposed ordinance should be amended to authorize the expenditure of \$4,500 of these funds retroactively.
  2. Ms. Raposa reports that the Director was advised by the Police Commission, prior to her employment with the City and County of San Francisco, that the Police Commission would make every attempt to have the City pay the Director for her moving expenses. However, this advice was given prior to the Board of Supervisors consideration and approval of the proposed supplemental appropriation ordinance. Ms. Raposa also reports that the OCC has had recruiting difficulties in finding qualified candidates for this position. Ms. Raposa states that the Director has indicated that she will be unable to pay for her relocation costs from personal funds, and if the City does not pay for such costs, then according to Ms. Raposa, the Director will not serve as the Director of the San Francisco Office of Citizen Complaints, and she would continue to work in the Washington, D.C. area.

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**BUDGET ANALYST**

3. A former Director of Public Health, Dr. Marvin Silverman, similarly was told that the City would pay for his moving expenses, as a condition of employment, when he relocated to San Francisco. However, the Board of Supervisors denied his request to pay for his moving costs.

4. As of the writing of this report, the City Attorney's Office did not have a comment on the proposed supplemental appropriation ordinance, which would authorize expenditures for moving expenses which were promised to a person prior to her employment with the City and County of San Francisco.

**Recommendations:** Based upon Comment No. 3 above, and pending an opinion from the City Attorney's Office, approval of the proposed supplemental appropriation ordinance, which would provide funds for relocation expenses for the Director of the Office of Citizen Complaints (OCC), is a policy matter for the Board of Supervisors.

Based on the fact that \$4,500 has already been incurred for moving costs, if the Board of Supervisors decides to approve this request, the proposed ordinance should be amended to authorize the expenditure of \$4,500 of these funds retroactively.

Item 1e - File 25-92-15

**Department:** Board of Supervisors

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that computer programming services can be practically performed by a private contractor for a lower cost than similar services performed by the City and County of San Francisco.

**Services to be Performed:** Computer programming services for the legislative index system.

**Description:** The Controller has determined that contracting for these computer programming services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Programmer Costs	\$5,906	\$6,891
<u>Contracted Service Cost</u> (See Comment No. 6)	<u>5,015</u>	<u>6,185</u>
<u>Estimated Savings</u>	\$891	\$706

**Comments:** 1. Fiscal year 1992-93 would be the first fiscal year that computer programming services are being certified as required by Charter Section 8.300-1 at the Board of Supervisors.

2. Mr. John Taylor, Clerk of the Board of Supervisors, advises that the Clerk's Office seeks the Board's authorization to contract with Newcomputing, a City-certified WBE, for fiscal year 1992-93 to perform these computer programming services.

3. Ms. Violeta Mosuela of the Clerk's Office advises that the Clerk's Office presently has a contract with Newcomputing for technical writing services for the period April, 1992 through September, 1992 (for which the Clerk's Office secured Civil Service approval), but does not currently have a computer programming contract with this WBE.

**BOARD OF SUPERVISORS**  
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4. Mr. Erasmo Vasquez of the Clerk's Office advises that the computer programming services which Newcomputing proposes to perform for the Clerk's Office constitutes a one-time contract with an estimated duration of three months (June 1, 1992 through August 31, 1992).

5. Ms. Judy Johnston of the Controller's Information Services Division (ISD) advises that the City Operated Service Costs are based on an hourly rate of \$49.22 which ISD computer programmers charge other City departments for their services, and that this \$49.22 includes salaries, fringe benefits, overhead costs and the cost of supplies for fiscal year 1991-92.

Mr. Dan McDonald of the ISD has provided the Controller's Office with an estimated City Operated Service Cost ranging from a low estimate of 120 hours of programming time ( $\$49.22 \times 120 \text{ hours} = \$5,906$ ) to a high estimate of 140 hours ( $\$49.22 \times 140 \text{ hours} = \$6,891$ ). Mr. McDonald advises that the fiscal year 1991-92 hourly rate was used because the fiscal year 1992-93 hourly has not yet been determined.

6. The contract costs were based on the computer programming bid presented by Newcomputing, which reflects \$100 per hour for 4 hours of consulting and analysis, and \$65 per hour for programming, documenting and training duties, with a low estimate of 71 hours of programming time ( $\$400 + (\$65 \times 71 \text{ hours}) = \$5,015$ ) and a high estimate of 89 hours of programming time ( $\$400 + (\$65 \times 89 \text{ hours}) = \$6,185$ ).

7. Mr. Greg Hobson advises that the Clerk's Office anticipates that there will be additional contracts for computer programming services besides the programming related to the legislative index during fiscal year 1992-93. Mr. Hobson reports that funds have been allocated in the Clerk's Office's fiscal year 1992-93 budget for the legislative index computer programming contractual work.

8. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department Board of Supervisors

Contract Services Computer Programming

For the term starting approximately June 1, 1992 through August 31, 1992

- 1) Who performed services prior to contracting out?

This is a one-time task. Thus, no one has performed this work. Controller's Information Services Division occasionally performs similar services, and will continue to perform same on other departmental projects of smaller scope.

- 2) Number of City employees laid off as a result of contracting out?

None.

- 3) Explain disposition of employees if they were not laid off

Not applicable, since not city employees were performing this work.

- 4) What percent of a City employee's time is spent on services to be contracted out?

None. Services contracted out amount to around three (3) person-weeks.

- 5) How long have the services been contracted out?

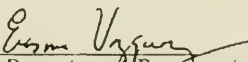
This is a one-time contract.

- 6) When was the first fiscal year for a Proposition J certification?

Not applicable. This is a one-time contract.

- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

Contractor selected is a WBE firm.

  
Department Representative  
554-4909  
Telephone



Item 1f - File 25-92-16

**Department:** Port of San Francisco

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that janitorial services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Janitorial services at the Ferry Building/World Trade Center, and surrounding areas, the Agricultural Building, the Cruise Ship Terminal, and at various Port piers.

**Description:** The Controller has determined that contracting for these janitorial services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$399,111	\$483,779
Employee Benefits	<u>106,053</u>	<u>123,622</u>
Subtotal	\$505,164	\$607,401
Operating Expenses	<u>35,175</u>	<u>35,175</u>
Total	\$540,339	\$642,576
<u>Contracted Service Cost</u>	<u>401,732</u>	<u>401,732</u>
<u>Estimated Savings</u>	\$138,607	\$240,844

**Comments:**

1. Janitorial services were first certified as required by Charter Section 8.300-1 in 1982 and have been provided by an outside contractor since 1979.
2. Mr. Jeff Bauer of the Port advises that the current contracts for janitorial services, which expire September 30, 1992, are with three firms, Fairway Janitorial Services (a City-certified MBE and LBE); Lewis & Taylor (a City-certified MBE and LBE); and Custodial Janitorial Services (a City-certified MBE and LBE).

3. Ms. Dorothy Schimke of the Port reports that the Port's janitorial services will continue to be provided by the current contractors (Fairway Janitorial Services, Lewis & Taylor, and Custodial Janitorial Services) in fiscal year 1992-93. The Contracted Service Cost used for the purpose of this analysis is based on the Port's fiscal year 1991-92 janitorial contracts, plus a 5 percent cost of living increase.

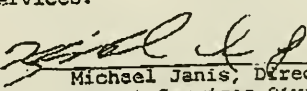
4. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.



Department: Port Commission For Time Period: F. Y. 92-93Contract Services: Janitorial Services

- 1) Who performed services prior to contracting out?  
The services were performed by City staff consisting at the time of 15 Janitors, 1 Janitor Sub-Foreman, and 1 Janitor Foreman, a total of 17 people, prior to the work being contracted out in November 1979.
- 2) Number of City employees laid off as result of contracting out?  
I believe sixteen people were laid off however, they were all immediately, or shortly thereafter, hired by other City depts.
- 3) Explain disposition of employees if they were not laid off.  
All were rehired in other City departments during 1979/80.
- 4) What percent of a City employee's time is spent on services to be contracted out?
  - 11 Custodians - 2708 (100%)
  - 1 Custodian Assistant Supervisor - 2716 (100%)
  - 1 Custodian Supervisor - 2718 (100%)
- 5) How long have the services been contracted out?  
Since 1979.
- 6) What was the first fiscal year for a Proposition J Certification?
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?  
The Port has divided janitorial services into segments that can be individually bid. This will enhance the opportunity for minority, women and small business enterprises to successfully compete for those contracts. MBE firms currently perform these services.

  
Michael Janis, Director  
Tenant Services DivisionTelephone: 274-0404



Item 1g - File 25-92-17

**Department:** Port of San Francisco

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that security guard services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Security guard services at the Ferry Building/World Trade Center, Agricultural Building, Port public parking facilities and various piers.

**Description:** The Controller has determined that contracting for these security guard services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$276,982	\$327,242
Employee Benefits	<u>72,966</u>	<u>83,395</u>
Subtotal	\$349,948	\$410,637
Operating Expenses	<u>8,809</u>	<u>8,809</u>
Total	\$358,757	\$419,446
<u>Contracted Service Cost</u>	<u>147,000</u>	<u>147,000</u>
<u>Estimated Savings</u>	\$211,757	\$272,446

- Comments:**
1. Security guard services were first certified as required by Charter Section 8.300-1 in 1983 and have been provided by an outside contractor since 1976.
  2. The current contract, which expires August 31, 1992, is with Cal-State Patrol Services, a City-certified Minority Business Enterprise (MBE and LBE). Ms. Dorothy Schimke of the Port advises that the Contracted Service Cost used for the purpose of this analysis is based on Cal-State Patrol Services' fiscal year 1991-92 contract, plus a 5% inflationary adjustment.
  3. Mr. Jeff Bauer of the Port reports that the fiscal year 1992-93 contract for the Port's security guard services will

be awarded through a competitive bid process, which will be facilitated by the City's Purchasing Department.

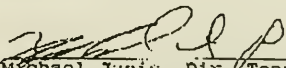
4. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

Department: Port Commission For Time Period: F. Y. 92-93

Contract Services: Security Services Contract Term: \_\_\_\_\_

- 1) Who performed services prior to contracting out?  
Security Services were performed by patrol officers prior to 1975. These were former State of California employees transitioned to City service when the Port was transferred to the City's jurisdiction in 1969.
- 2) Number of City employees laid off as result of contracting out?  
No employees are adversely affected as a result of this contract.
- 3) Explain disposition of employees if they were not laid off.  
The former Harbor Patrol Officers were transferred to the Sheriff's Office in 1975. Several subsequently have become Q-2 Police Officers in the S.F.P.D. None were displaced.
- 4) What percent of a City employee's time is spent on services to be contracted out?  
The cost comparison is based upon a hypothetical City work force of seven and one half Building & Grounds Patrol Officers. This represents a very conservative estimate of the number of City employees needed to cover the 294 hours of service provided by the contractor each week.
- 5) How long have the services been contracted out?  
Since 1976.
- 6) What was the first fiscal year for a Proposition J Certification?  
Fiscal Year 83-84.
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?  
In the past the low bidder on this contract has been a minority or woman-owned business. If this Prop J certification is approved and an MBE or WBE-owned business is the low bidder, it will contribute significantly toward the City's compliance with the provisions of 12D of the Administrative Code.

  
\_\_\_\_\_  
Michael Janis, Dir. Tenant Services  
Department Representative

Telephone: 274-0404

(REQUEST)





Item 1h - File 25-92-18

**Department:** Real Estate Department

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that stationary engineering services can be practically performed by a private contractor for a lower cost than similar services performed by the City and County of San Francisco.

**Services to be Performed:** Stationary engineering services for the Real Estate Department at 25 Van Ness Avenue.

**Description:** The Controller has determined that contracting for these stationary engineering services in fiscal year 1992-93 would result in estimated savings as follows:

City Operated Service Costs

Direct Labor Costs	\$20,943
Indirect Labor Costs	<u>20,293</u>
Total	\$41,236

<u>Contracted Service Cost</u>	<u>38,480</u>
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<u>Estimated Savings</u>	<u>\$2,756</u>
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**Comments:** 1. Mr. Lloyd Gardner of the Real Estate Department advises that since the City purchased an office building located at 25 Van Ness Avenue in October, 1991, 1992-93 would be the first fiscal year that stationary engineering services are certified as required by Charter Section 8.300-1 at 25 Van Ness Avenue.

2. Mr. Gardner advises that since October 23, 1991, the City has had three stationary engineering contracts with the following firms or individuals: Mr. Mike Pizani (the original building stationary engineer); DKB Engineering, and Greco Engineering Management, Inc. Mr. Gardner reports that initially, he communicated with both the Purchasing Department and the Civil Service Commission and was told that it was appropriate for the Real Estate Department to develop a short-term personal services contract with the stationary engineering contractor through the end of fiscal year 1991-92. Thereafter, Mr.

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Gardner was advised that it was most appropriate to request Proposition J approval for contracting for stationary engineering services in fiscal year 1992-93.

3. The current contract, which expires June 30, 1992, is with Greco Engineering Management, Inc., which is neither a City-certified MBE, WBE nor LBE firm at the present time. Mr. Gardner reports that at the time of this writing, Greco Engineering Management is in the process of becoming a City-certified WBE.

4. Mr. Gardner advises that the Real Estate and Purchasing Departments are in the initial stages of discussing whether to award the stationary engineer contract for fiscal year 1992-93 through a competitive bid process or to develop a term purchase agreement. Mr. Bill Jones of the Purchasing Department advises that the Real Estate Department has not yet submitted specifications for the stationary engineering services at 25 Van Ness Avenue, and that the Purchasing Department will follow the City's Human Rights Commission guidelines for ensuring that the Real Estate Department follows its MBE/WBE action plan.

5. The Contracted Service Cost used for the purpose of this analysis is based on Greco Engineering Management's estimated cost of providing services for fiscal year 1992-93 (\$37 per hour x 1,040 hours per year = \$38,480). Out of the gross floor area of 147,876 square feet, the 25 Van Ness Avenue office building contains 136,089 rentable square feet.

7. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

## Charter 8.300-1 (Proposition J) Questionnaire

Department Real Estate  
Contract Services Stationary Engineer  
Time Period FY92-93

- 1) Who performed services prior to contracting out?  
Since Oct. 23, 1992, City has had 3 Stationary Contracts.  
Presently we are using services of Greco Engineering Management Inc.
- 2) Number of City employees laid off as a result of contracting out?  
- 0 -

- 3) Explain disposition of employees if they were laid off.

N/A

- 4) What percent of City employee's time is spent on services to be contracted out?

- 0 -

- 5) How long have services been contracted out?

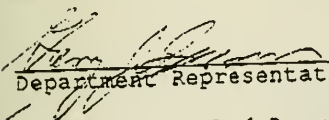
Since 10-23-91

- 6) What was the first fiscal year for a Proposition J Certification?

FY 92-93

- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

Services to be bid out by Purchasing with H.R.C. approval

  
Department Representative

Lloyd Gardner, Real Property Officer  
(Type Name, Title)

554-9862

Telephone

cxlquespj





Item 1i - File 28-92-7

**Department:** Department of Public Works (DPW)  
Bureau of Water Pollution Control

**Item:** Resolution approving emergency expenditure to perform the necessary work to replace the damaged ceramic fiber insulation on the waste gas flares at the Southeast Water Pollution Control Plant with high temperature insulating brick.

**Amount:** \$51,150

**Source of Funds:** Sewer Service Charge Revenues (Clean Water Operating Fund)

**Description:** The DPW reports that the ceramic fiber insulation on one of the two waste gas flares at the Southeast Water Pollution Control Plant fell off during the week of March 16, 1992. As a result of the disintegration of the insulation, the DPW has been forced to shut down the one uninsulated flare and to run its one remaining insulated flare at a lower, suboptimal temperature. This has resulted in the release of odorous sulphur compounds into the atmosphere. A second alternative would have been for the DPW to run its insulated flare at the optimum temperature (about 1400 to 1600 degrees Fahrenheit), which would result in the release of large amounts of methane gas into the atmosphere. A third alternative would have been for the DPW to run its insulated flare at a higher than optimum temperature (about 2000 degrees Fahrenheit), which would result in the destruction of the insulation in the flares and eventually the collapse of the metal stack. Therefore, the existing condition and the two alternatives for dealing with the emergency condition are both unfavorable and harmful to the City's public health. To prevent further damage to the flares and the danger of explosion, the ceramic fiber insulation must be replaced with high temperature insulating brick in both waste gas flares.

In accordance with Section 6.30 of the Administrative Code, the DPW began emergency repair work on the ceramic fiber insulation on the waste gas flares on May 11, 1992, according to Mr. Jon Loiacono of the DPW. The total cost of the repairs is \$51,150, pursuant to a lump sum contract between the DPW and the contractor. The contractor performing the emergency repair work estimates that the repairs will be completed by approximately June 5, 1992. Mr. Loiacono reports that the contractor completed work on one flare on

May 20, 1992. Besides the \$51,150 for contractual services, the DPW estimates the DPW has spent \$15,000 to \$20,000 of staff time addressing the emergency condition. The DPW will pay staff for work on the emergency condition from its regular operating budget.

**Comments:**

1. In accordance with Section 6.30 of the Administrative Code, the DPW, on an expedited basis, awarded the contract for emergency repair work on the ceramic fiber insulation to Dee Engineering on April 24, 1992. Dee Engineering is neither a MBE nor WBE firm.
2. Mr. John Cribbs, Director of the DPW, declared that an emergency condition existed on April 24, 1992.
3. Mr. Henry Gee of the DPW advises that the \$51,150 for contractual services is from the Sewer Service Charge (Funding Group 35/001, which is the Clean Water Operating Fund) under the subcategories "Other Contractual Services" and "Other Equipment and Maintenance."

**Recommendation:** Approve the proposed resolution.

Item 1j - File 38-92-7.1

**Department:** Mayor's Office

**Item:** Resolution authorizing the Mayor's Office to accept a gift of miscellaneous computer equipment valued at \$36,680, from the San Francisco Foundation for use by the Mayor's Budget Office and the Mayor's Office of Economic Planning and Development.

**Amount:** Computer equipment valued at \$36,680

**Description:** The Mayor's Office recently solicited donations for the purchase of computer equipment and software needed to enhance the fiscal and economic analysis capabilities in the Mayor's Budget Office and Office of Economic Planning and Development. On behalf of the Mayor's Office, funds donated for this purpose were deposited in an account (The San Francisco Government Efficiency Fund) set up and administered by the San Francisco Foundation. As of April 30, 1992, the San Francisco Foundation had received donations totalling \$118,500, from fifteen separate businesses, which were deposited to this Fund (see Attachment). These donations have been utilized by the San Francisco Foundation to purchase the computer equipment and software for the Mayor's Office.

The Board of Supervisors has previously approved legislation authorizing the Mayor's Office to accept computer equipment valued at \$80,609, from the San Francisco Foundation, for the first phase of this project (Resolution No. 144-92). The proposed resolution would authorize the Mayor's Office to accept a second gift of computer equipment valued at \$36,680, for a total gift amount valued at \$117,289.

The computer equipment and software valued at \$36,680, is detailed below:

Computer File Server (1)	\$5,870
Concentrator for Server (1)	1,600
Memory Hardware (1)	3,600
Network Software (1)	2,600
Personal Computers (4)	11,600
Memory Upgrade (1)	840
Laser Printer (1)	1,600
Tape Backup (1)	2,100
UPS (uninterruptible power supply) (1)	370
Miscellaneous Software and Cables	3,500
Installation and Training	<u>3,000</u>
Total	\$36,680

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comment:**

The Mayor's Office reports that the estimated cost to purchase the entire amount of computer equipment and software needed by the Mayor's Budget Office and Office of Economic Planning and Development is \$150,000, which is \$31,500 more than the \$118,500 donated as of April 30, 1992. Ms. Eila Arbuckle of the Mayor's Office advises that the \$150,000 estimated cost for the computer equipment and software needed for the Mayor's Office was based on the "ideal" circumstance of having a comprehensive computer network in both the Mayor's Budget Office and Office of Economic Planning and Development. According to Ms. Arbuckle the \$118,500 already donated will permit the completion of the computer network project in the Mayor's Budget Office, but will not be sufficient to complete the computer network in the Office of Economic Planning and Development. Ms. Arbuckle advises that it is unknown as to whether or not additional donations will be made to the San Francisco Government Efficiency Fund. Ms. Arbuckle adds that the Mayor's Office has not, at this time, identified any other source of funding for this project.

**Recommendation:** Approve the proposed resolution.

SUMMARY OF ACTIVITY  
IN THE SAN FRANCISCO GOVERNMENT EFFICIENCY FUND  
ADMINISTERED BY THE SAN FRANCISCO FOUNDATION  
as of April 30, 1992

SUMMARY OF ACTIVITY

\$118,500	Total Contributions at April 30, 1992
(\$80,609)	Phase 1 purchases
(\$36,680)	Phase 2 purchases
\$1,211	Account balance at April 30, 1992

CONTRIBUTIONS TO DATE

Contribution	Donor
-----	-----
\$5,000	AT&T
\$10,000	Bank of America
\$2,000	Blue Shield of California
\$32,000	Building Owners & Managers Association of San Francisco
\$5,000	Catellus Development Corporation
\$1,000	Charles Schwab & Co.
\$10,000	Chevron
\$10,000	Kransco Group Companies
\$5,000	McKesson
\$10,000	Pacific Gas & Electric Company
\$10,000	Pacific Telesis
\$1,000	Shaklee Corporation
\$5,000	The Gap
\$5,000	Transamerica
\$7,500	Wells Fargo Corporation
\$118,500	Total Contributions at April 30, 1992





Item 1k - File 38-92-14

- Department:** San Francisco Public Library
- Item:** Resolution authorizing acceptance of a gift to the San Francisco Public Library of a bookmobile from the Friends of the San Francisco Public Library.
- Amount:** Valued at \$113,000
- Description:** The Friends of the San Francisco Public Library have raised funds for the purchase of a bookmobile through the solicitation of large and small donations and grants from many individuals and organizations. The Public Library reports that the bookmobile would be wheelchair accessible and primarily serve elderly persons in senior centers and residences.
- Comments:**
1. According to Ms. Gloria Hansen of the Public Library, the Public Library currently has one bookmobile in operation. However, Ms. Hansen reports that because the currently operational vehicle is older and requires substantial maintenance, the Public Library intends to replace this existing bookmobile with the new bookmobile, for which the proposed resolution would authorize the Public Library to receive.
  2. Mr. Richard Walsh of the Public Library reports that the current projected maintenance costs for the existing bookmobile are approximately \$5,600 annually. Mr. Walsh anticipates that the new bookmobile would only require gasoline, oil and periodic inspections which would cost a maximum of \$2,800 annually during the initial years, or \$2,800 less the existing maintenance costs of \$5,600 annually.
  3. Given that the Public Library intends to replace the existing bookmobile with the new bookmobile. Ms. Hansen reports that there would be no additional staff required to operate the new bookmobile.
  4. Ms. Hansen indicates that the Public Library anticipates that the existing bookmobile would be auctioned through the Purchasing Department, and any proceeds would be put into the General Fund. However, the Public Library was unable to estimate the amount of proceeds that would likely be received.
- Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 11 - File 38-92-15

**Department:** San Francisco Public Library

**Item:** Resolution authorizing the acceptance of a cash gift from the Library Foundation of San Francisco for videotape preservation services and equipment, to be used to clean and reformat the Peter Adair Videotape Collection already donated to the Library's Gay/Lesbian Center.

**Amount:** \$18,962

**Description:** The Public Library is currently planning the establishment of a Gay/Lesbian Center to be located in the new Main Library scheduled to open in 1995. In October, 1991, the work of San Francisco filmmaker Peter Adair was donated to the Public Library, including materials gathered during the creation of the film "Word is Out," which provides a unique and unparalleled portrayal of the lives of gay men and lesbians in San Francisco and the United States during the mid-1970s. These previously donated materials by Mr. Adair includes archival videotapes, transcripts, and other materials associated with this film, including interviews with 200 individuals beyond those seen in the film.

The Public Library reports that these materials require archival cleaning and the videotapes require reformatting from their current obsolete video format to today's standard use. The proposed cash gift of \$18,962 would be used for Public Library staff to complete the cleaning and reformatting of these videotapes. After cleaning and reformatting, the Library would provide high-quality archival copies of these materials and videotapes to the public.

**Comment:** According to Ms. Kathy Page of the Public Library, the proposed cash gift which would be donated to the Public Library would fund the one time cost of cleaning and reformatting the Peter Adair Videotape Collection. Ms. Page reports that existing part-time Public Library staff would complete this proposed project. In addition, Ms. Page estimates that no additional costs would be incurred by the Public Library for the maintenance of these materials once the cleaning and reformatting is complete.

**Recommendation:** Approve the proposed resolution.





Item 1m - File 38-92-16

**Department:** San Francisco Public Library

**Item:** Resolution authorizing acceptance of a gift from the Library Foundation of San Francisco for books, periodicals, manuscripts, correspondence and photographs from the collection of Barbara Grier and Donna McBride, to be donated to the Library's Gay/Lesbian Center.

**Amount:** Valued at \$400,000

**Description:** The Public Library is currently planning the establishment of a Gay/Lesbian Center to be located in the new Main Library scheduled to open in 1995. The purpose of this center is to record, highlight and celebrate the lives, achievements and contributions of the City's gay and lesbian community. The proposed resolution would authorize the Public Library to accept materials from the collection of Barbara Grier and Donna McBride, consisting of a 4,375 volume collection of literature dealing with gay and lesbian themes to be used at the Gay/Lesbian Center.

**Comments:**

1. According to Ms. Kathy Page of the Public Library, the Public Library would use existing part-time staff to complete the cataloguing services for the proposed gift collection. As outlined in the proposed resolution, the Library Foundation of San Francisco has budgeted funds to be donated at a later date to cover the costs for such part-time employees to perform these cataloguing services for the Public Library in order that this collection is preserved and made available for the public. The acceptance of the subsequent cash gift to cover the costs to the Public Library to preserve this collection would be subject to future approval by the Board of Supervisors.

2. Ms. Page anticipates that no other additional costs would be incurred by the Public Library for the acceptance of this collection, other than the cataloguing costs, which as noted above, would be donated by the Library Foundation as a separate cash gift at a later date.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1n - File 130-92-1

**Department:** Adult Probation and Juvenile Probation Departments

**Item:** Resolution authorizing the Adult Probation Department and Juvenile Probation Department to retroactively apply for, accept and expend \$140,273 in funds from the State of California Board of Corrections for the Standards and Training of Local Corrections and Probation Officers Program; stipulating adherence to standards of recruitment and training established by the Board of Corrections, and waiving any indirect costs.

**Amount:** \$140,273

**Grant Period:** July 1, 1992 through June 30, 1993

**Source of Funds:** State of California Board of Corrections

**Project:** Standards and Training of Local Corrections and Probation Officers Program

**Description:** The proposed subvention would fund State mandated training for Corrections and Probation Officers in the Adult Probation and Juvenile Probation Departments. The program is operated by the State Board of Corrections and provides funds to improve and standardize the skills of Deputy Sheriff jail staff and Probation Officers, from entry-level staff to department heads. SB 924 authorized the State Board of Corrections to establish minimum standards for the selection and training of Deputy Sheriff jail staff and Probation Officers and to certify the training courses to be taken by personnel participating in this program.

The proposed subvention would fund a total of 307 personnel during the 1992-93 Fiscal Year. Total training hours would be 16,220 and would range from 24 hours of training for update training for experienced personnel to 200 hours of training for new personnel. Training costs are paid by this subvention and no matching funds are required.

The major subject areas of training are listed below:

Juvenile Counselor Staff

Security and supervision of minors  
Fire safety, crisis intervention and hostage situations  
Emergency procedures  
Supervision of special inmates

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Line Probation Officers

Statutory, Case and Administrative Law  
Laws relating to justice system procedures of Police, District  
Attorney, Courts and Probation Services  
Handling of victims and witnesses  
Confidentiality and client rights  
Community resources  
Time and caseload management  
Interviewing techniques  
Report writing  
Diagnostic and counseling techniques and cultural  
awareness

Supervisory, Administrative Personnel

Managing personnel problems  
Supervisory skills  
Legal aspects of personnel supervision  
Budgeting, accounting and fiscal management techniques  
Stress management  
Communication skills  
Legal updates (cases, statutory, administrative law)  
Applied management models  
Information systems  
Cost effectiveness analysis  
Community relations

**No. of Persons  
Served:**

Training for 307 personnel

**Project  
Budget:**

<u>Dept.</u>	<u>Staff</u>	<u>Hours</u>	<u>Tuition</u>	<u>Travel</u>	<u>Per Diem</u>	<u>Salary Replacement</u>	<u>Total</u>
Adult Probation	109	6,720	\$34,546	\$4,123	\$5,942	\$5,335	\$49,946
Juvenile Probation	<u>198</u>	<u>9,500</u>	<u>\$45,400</u>	<u>\$17,400</u>	<u>\$13,700</u>	<u>\$13,827</u>	<u>\$90,327</u>
Grand Total	307	16,220	\$79,946	\$21,523	\$19,642	\$19,162	\$140,273

**Indirect Costs:**

None. The State Department of Corrections requires that all funds be used for direct training services.

**Required Match:**

None

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. The Board of Supervisors previously approved a resolution (File 152-92-1) authorizing the Sheriff's Department to apply for training funds in the amount of \$166,622 in fiscal year 1992-93 under SB 924 in May, 1992. According to Ms. Gail Goldman of the Adult Probation Department, the Adult Probation Department applied on behalf of the Adult Probation and Juvenile Probation Departments for the proposed grant on April 15, 1992. Ms. Goldman reports that the Sheriff's Department decided to apply separately for the proposed grant so that it could submit its application earlier (in past years, the Sheriff's Department, Adult Probation Department and Juvenile Probation Department submitted one joint proposal to the State of California Board of Corrections for these training funds). Therefore, the proposed resolution has been worded so as to authorize the Adult Probation and Juvenile Probation Departments to apply for the proposed grant retroactively.
2. Ms. Goldman reports that the costs of compliance with the proposed State mandated training would be fully reimbursed by the State Department of Corrections and no additional costs, other than the City's indirect costs, would be incurred by the City. As reflected in the above budget, the State would reimburse the City for travel, per diem, tuition, and salary replacement for the cost of replacing staff while in training.
3. The proposed grant of \$140,273 for the Adult Probation and Juvenile Probation Departments is approximately 14 percent (or \$23,727) less than the FY 1991-92 grant award amount of \$164,000 to the two departments.
4. Attached is the "Summary of Grant Request" as completed by the Adult Probation Department.

**Recommendation:** Approve the proposed resolution.



Item No. FILE 130-92-1

- Summary of Grant Request

Rev. 4/10/90

Grantor STATE BOARD OF CORRECTIONS  
 Contact Person NATHANIEL REED  
 Address 600 BERCHT DRIVE  
SACRAMENTO, CA 95814  
 Amount Requested \$ 140,273  
 Term: From 7/1/92 To 6/30/93  
 Health Commission \_\_\_\_\_

Division ADULT PROBATION  
 Section TRAINING  
 Contact Person PAUL GOLDMAN  
 Telephone (916) 553-1433  
 Application Deadline 4/15/91  
 Notification Expected \_\_\_\_\_

Board of Supervisors Finance Committee ☒

Full Board \_\_\_\_\_

I. Item Description:  
 (Check appropriate words)

Request to (apply for) (renew and extend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$140,273 from the period of 7/1/92 to 6/30/93 to provide TRAINING services.

II. Summary: (Concise history, need statement, whether a grant, service, service and position)

The training is to be carried out under the SB 924 subvention for the benefit of persons in the Adult Probation and Juvenile Probation Departments. This will be the thirteenth year of participation in the statewide training subvention.

III. Outcomes/Objectives:

COMPLIANCE WITH MINIMUM STANDARDS FOR THE SELECTION AND TRAINING OF JUVENILE HALL AND PROBATION STAFF

IV. Effects of Reduction or Termination of These Funds:

INADEQUATE TRAINING OF STAFF AND INCREASED LIABILITY BASED ON LACK OF TRAINING - INABILITY TO COMPLY WITH STATE MANDATED TRAINING

V. Financial Information:

	Col. A Two Year Ago	Col. B Past Year Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			<u>\$140,273</u>			
Personnel			<u>N/A</u>			
Equipment			<u>N/A</u>			
Contract Etc.			<u>N/A</u>			
Mat. & Supp.			<u>N/A</u>			
Facilities/Space			<u>N/A</u>			
Other			<u>N/A</u>			
Indirect Costs			<u>N/A</u>			

VI. Data Processing

(Grant funded direct)

VII. Personnel

FTE CSC

FTE CSC

Contractual

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, how?

N/A

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If only source, attach Request for Quotation Form)

Item 10 - File 130-92-2

**Department:** Adult Probation Department

**Item:** Resolution authorizing the Chief Adult Probation Officer of the City and County of San Francisco to retroactively apply for, accept and expend a new Federal grant in the amount of \$22,875, made available through the State Office of Criminal Justice Planning.

**Grant Amount:** \$22,875

**Source of Grant:** Federal funds allocated through the State Office of Criminal Justice Planning (OCJP)

**Grant Period:** May 1, 1992 to April 30, 1993

**Project:** County Master Plan, Criminal Justice System Assistance Program

**Project Description:** The Adult Probation Department would use the proposed Federal grant funds to purchase computer equipment and related computer training and consultant services. The computer equipment and related services would be used by the Adult Probation Department, Drug Abatement Program to provide substance abuse resource data which would help to fill gaps in coordination and information between the Police Department, the Sheriff, the District Attorney, community based substance abuse providers and the Adult Probation Department. It is expected that the data to be provided will (1) reduce the time currently spent in assessing defendant's eligibility for available treatment programs, (2) keep the District Attorney apprised of the probation status of defendants in the Drug Abatement Program, and (3) inform the Police Department of narcotic offenders and their whereabouts, including new arrests and changes of address. Additionally, this data base is expected to improve services to women substance abusers, who are pregnant and/or with children by helping to locate needed services and provide the necessary coordination between the service provider, the client and the criminal justice system.

<b>Project Budget:</b>	<u>Operating Expenses</u>	
	Personal Computer (1)	\$3,760
	Laserjet Printer (1)	2,062
	Modem	195
	Emulator Board	763
	Computer Reservation Software	5,000
	Database Program	574
	Word Processing Program	327
	Telecommunication Software	99
	Computer Workstation	652
	Miscellaneous Computer accessories	420
	Computer Training	750
	Computer Consultant Services	6,900
	Audit	<u>229</u>
	Subtotal	\$21,731
	<u>Indirect Costs</u>	<u>\$1,144</u>
	Total	\$22,875

**Required Match:** None

**Indirect Costs:** \$1,144 (5% of total grant)

**Comments:**

1. As noted above, indirect costs in the amount of \$1,144 (5% of total grant) have been included in the grant budget. This proposed legislation includes a reference to the inclusion of indirect costs in the body of the legislation, but not in the title of the legislation. Therefore, the proposed resolution should be amended to indicate in the title of the proposed legislation that indirect costs have been included in the grant budget.
2. Attached is a "Summary of Grant Request", as prepared by the Adult Probation Department, for the proposed grant.
3. The Adult Probation Department has prepared a Disability Access Checklist which is included in the file.

**Recommendation:** Amend the proposed resolution to add language to the title of the proposed legislation indicating that the proposed grant includes indirect costs of \$1,144 based on 5 percent of the total grant award.

Item No. Adult Probation - Summary of Grant Request

Rev. 4/10/90

Grantor Office of Criminal Justice Planning  
 Contact Person Tohn Isaacson  
 Address 1130 "K" Street, Suite 300  
Sacramento, CA 95814

Division S.F. Adult Probation Dept.  
 Section Community Services  
 Contact Person Carmen Bushe  
 Telephone (415) 553-1901

Amount Requested \$ 22,875  
 Term: From 05/01/92 To 04/30/93

Application Deadline 03/31/92  
 Notification Expected Pass resolution to apply accept, and expend funds.

Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$ 22,875 from the period of 05/01/92 to 04/30/92 to provide computerized data as identified by County Master Plan for drug and alcohol services.

II. Summary: (Concise summary of grant purpose, goals, objectives, and provisions)

A personal computer at Adult Probation Dept., Drug Abatement Program would serve as a "pilot program" and will contain data that will improve services to women (pregnant and with children) addicted to drugs and/or alcohol; serve as a resource directory for community programs available to Judges, Police, Sheriff's Dept. and APD. The County Master Plan on substance abuse has ranked women and drug-exposed children as (over)

III. Outcomes/Objectives:

A computer with interdepartmental and intradepartmental capabilities would provide linkage between all components of the Substance Abuse Master Plan Committee and address needs identified above. The current system is manual, requiring a longer wait for (over)

IV. Effects of Reduction or Termination of These Funds:

The current system would continue causing repeated Court appearances for probationers, lack of information available to the various criminal justice agencies in need of information regarding substance abuse service providers available.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			\$22,875			
Personnel			-0-			
Equipment			12,780			
*Contract Svc.			6,900			
Mat. & Supp.			1,072			
Facilities/Space						
Other - Audit			229			
Indirect Costs			1,144			
Training			750			
<u>VI. Data Processing</u>						

(Amount included above)

VII. Personnel

F/T CSC			-0-		
P/T CSC			-0-		
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

General Fund

Will grant funded employees be retained after this grant terminates? If so, How?  
 Contractual employees only -- will not be retained.

\*VIII. Contractual Services: Open Bid Y Sole Source \_\_\_\_\_ (If sole source, attach Request for Exception Form)



## II. Summary: (continued)

the first priority in the City and County of San Francisco. The resource information would potentially be available to all adult probationers via their Probation Officers.

## III. Outcomes/Objectives: (continued)

information regarding services available and phone calls, additional court appearances. This computer would provide faster, better linkage and would provide significant Court savings.



Item 1p - File 143-92-1

**Department:** Police Department

**Item:** Resolution authorizing the Chief of Police of the City and County of San Francisco to apply for, accept and expend a new Federal grant in the amount of \$110,000, made available through the State Office of Criminal Justice Planning and agreeing to provide a cash match in the amount of \$12,222.

**Grant Amount:** \$110,000

**Source of Grant:** Federal funds through the State Office of Criminal Justice Planning (OCJP)

**Grant Period:** July 1, 1992 to June 30, 1993

**Project:** Crime Prevention Expansion Project: Mission Corridor

**Project Description:** The proposed Federal grant funds would be used by the Police Department primarily to pay for contract services with San Francisco Safety Awareness for Everyone (SAFE), Inc., a non-profit agency, aimed at crime prevention. These crime prevention services would be targeted at the Mission District. Specific program services to be provided by SAFE in collaboration with the Police Department's Community Police Officer Program (CPOP) would include, but not be limited to, the following:

1. Thirty (30) presentations on personal safety at senior citizen facilities.
2. Development of a comprehensive resource directory (in English and Spanish) for elder abuse victims, caregivers, service providers, agencies and the community. A total of 500 directories would be printed and distributed free of charge.
3. Four (4) community trainings (30 persons per meeting), to educate practitioners, caregivers and the Police Department about the elder abuse reporting law and its purpose and to train these groups in the reporting process. This training would be done in collaboration with the Elder Abuse Consortium, a non-profit agency.

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4. The formation of 20 new Neighborhood Watch groups.
5. Two (2) mass community meetings (at least 200 persons) aimed at introducing intensified crime prevention services in the target area and recruiting participants for Neighborhood Watch groups.
6. Meetings once a month with Valencia Gardens Public Housing Resident's Association to establish crime prevention activities on site.
7. Four (4) community-education meetings for 100 persons to provide residents, churches and businesses with information on the Victim Witness Assistance Program, Family Violence Project, conflict resolution programs and other services available in the target area, such as public and mental health services, substance-abuse services, employment training, youth activities and educational opportunities.
8. Ten (10) introductory crime prevention presentations to 200 persons during the grant year focusing on "Hate or Bias-Motivated Crime: Definitions and Procedures."
9. Twelve (12) classroom presentations to 300-350 children in grades K-5, on home and street safety.
10. Seven (7) sessions each at the target area middle school and high school, aimed at gang prevention.
11. Twenty (20) business security presentations to 100 target-area businesses and merchants on robbery prevention, shoplifting, building security and security products.

**Project Budget:**

<u>Personnel</u>			
Police Captain	.05 FTE	\$3,395	
Police Officer	<u>.05 FTE</u>	<u>2,180</u>	
Subtotal	.10 FTE		\$5,575

<u>Operating Expenses</u>		
Training (Conference)	\$ 300	
Travel	472	
Contract Services (S. F. SAFE, Inc.)		
Personnel (3 FTE)	65,756	
Fringe Benefits	10,771	
Postage	550	
Training	1,000	
Mileage	978	
Consultant Services	30,320	
Printing	4,443	
Audit	<u>1,500</u>	
Subtotal		\$116,090
<u>Indirect Costs</u>		<u>557</u>
Total		\$122,222 *

\* The \$122,222 total project amount includes \$110,000 of the proposed State OCJP grant funds plus \$12,222 in City match.

**Required Match:** \$12,222, in State revenues, which is included in the Police Department's 1992-93 budget request.

**Indirect Costs:** \$557

**Comments:**

1. Lieutenant Larry Ryan of the Police Department reports that the Department has requested that this item be continued to the call of the Chair in order to allow additional time for staff to adjust the amount of indirect costs to be included in the grant budget.

2. Attached is a summary of the requested grant, which was prepared by the Police Department.

3. The Police Department has prepared a Disability Access Checklist which is included in the file.

**Recommendation:** Continue the proposed resolution to the call of the Chair as requested by the Police Department.

**BOARD OF SUPERVISORS**  
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Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Police Department

Contact Person: Lt. Larry Ryan Telephone: 553-9177

Project Title: Crime Prevention Expansion Project: Mission Corridor

Grant Source: Office of Criminal Justice Planning

**Proposed (New / Continuation) Grant Project Summary:**

Based upon data gathered via a community needs assessment and crime statistic analysis, the San Francisco Police Department has developed an innovative approach to expand crime prevention in the high crime, culturally and ethnically diverse target area. Community Police Officer Program (CPOP) has been active in this area for over two years. This grant emphasizes SFPD training to increase crime prevention efforts, training in victim services and cultural and ethnic sensitivity; community outreach, empowerment and organizing using the unique skills of CPOP and San Francisco SAFE, Inc., a community-based group that provides crime prevention services to San Franciscans. CPOP and SAFE will work with Neighborhood Watch groups, youth elderly, area service providers, community groups, businesses and city government to implement new, non-traditional crime prevention activities.

Amount of Grant Funding Applied for: \$110,000.00

Maximum Funding Amount Available: \$110,000.00

Required Matching Funds: \$ 12,222.00

Number of Positions Created and Funded: -0-

Amount to be Spent on Contractual Services: \$109,375.00

Will Contractual Services be put out to Bid? NO

Term of Grant: July 1, 1992 through June 30, 1993

Date Department Notified of Available funds: \_\_\_\_\_

Application Due Date: April 13, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

See Attached

Assessment of Need for Grant Funding:

With current resources limited, the San Francisco Police Department believes that this OCJP grant funding will enable officers to receive necessary training in cultural and ethnic sensitivity and victim services. Funding will also allow expansion of crime prevention efforts in this troubled target area that would not otherwise be available.

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Department Head Approval





Item 2 - File 94-91-4.3

**Note:** This item was continued by the Finance Committee at its meeting of May 20, 1992.

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Request for release of a budgetary reserve of 1991-92 Federal Transit Administration Section 9 Capital Funds, including \$51,598 in Federal funds and \$13,402 in local matching funds for a total of \$65,000 for Municipal Railway Contract No. MR-1039-R, Curtis E. Green Light Rail Facility, Geneva Site, Maintenance Building, Paint Booth Fans Modification.

**Comment:** The Department has requested that the proposed item be continued to the Finance Committee meeting of June 3, 1992.

**Recommendation:** Continue the proposed release of reserve to the June 3, 1992 Finance Committee meeting.



Item 3 - File 192-92-2

**Note:** This item was continued by the Finance Committee at its meeting of May 20, 1992.

**Department:** Department of Parking and Traffic (DPT)  
Department of Public Works (DPW)

**Item:** Resolution authorizing the Executive Director of the Department of Parking and Traffic and the Director of the Department of Public Works to apply for, accept and expend a continuation State grant for bicycle/pedestrian projects, forgoing reimbursement of indirect costs.

**Grant Amount:** \$450,000

**Grant Period:** Approximately June 1, 1992 through May 30, 1995

**Source of Funds:** State Transportation Development Act (TDA), Article 3

**Project:** Bicycle/Pedestrian projects

**Description:** The State Transportation Development Act (TDA) was passed in 1971. Article 3 of the TDA includes provisions for pedestrian and bicycle allocations. While Article 3 allows the use of funds for support of public transportation systems or community transit services, or for local street and road purposes in lieu of bicycle/pedestrian projects, the Board of Supervisors passed a resolution (File 196-90-6) on October 29, 1990 which urged the Mayor to support the full use of TDA Article 3, Bicycle/Pedestrian funds for bicycle/pedestrian improvements. If instead, the TDA funds were used for transit-related projects and appropriated to MUNI's budget, then these revenues could be used to offset MUNI's budget of which approximately 42.5 percent is General Fund revenues.

The proposed resolution would authorize the Department of Parking and Traffic to fund the following projects:

Bicycle Racks	\$100,000
Bicycle signing and marking improvements	115,000
Bicycle safety education programs and a City bike route map	10,000
Installation of handicapped curb ramps	200,000
Improvement of pedestrian walkways in Bernal Heights	<u>25,000</u>
Total Budget	\$450,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Required Match:** None.

**Indirect Costs:** None. The State does not reimburse for indirect costs under TDA, Article 3.

**Comments:** 1. According to Mr. Tim Johnson, of the Department of Parking and Traffic (DPT), existing DPT staff would complete the bicycle signing, lane striping and mapping projects as follows:

Bicycle signing and marking improvements	\$115,000
Bicycle safety education programs and a City bike route map	<u>10,000</u>
Total	\$125,000

In addition, Mr. Johnson reports that the remaining projects would be work-ordered to the Department of Public Works (DPW), using existing DPW staff:

Bicycle Racks	\$100,000
Installation of handicapped curb ramps	200,000
Improvement of pedestrian walkways in Bernal Heights	<u>25,000</u>
Total	\$325,000

2. According to Ms. Karen Gelman of the DPW, based on a City-wide survey of major neighborhoods and shopping districts completed by the DPW and the DPT, approximately 970 curbs were identified in need of handicapped curb ramps. Ms. Gelman reports that although the total cost to install these 970 ramps would be approximately \$1 million, the \$200,000 in proposed TDA funds would be used to install curbs in the most critical high traffic areas. Approximately 194 handicapped ramps would be installed with the proposed TDA funds (based on \$1 million total estimated cost for 970 curbs equals approximately \$1,031 for each curb). Ms. Gelman reports that the DPW is currently attempting to acquire approximately \$800,000 in Federal grant funds for the installation of the remaining handicapped curb ramps.

3. Under the guidelines of the TDA Article 3 funds, the City has up to three years to encumber or expend these TDA Article 3 funds. In a letter dated April 27, 1992, the Metropolitan Transportation Commission (MTC), which administers the State TDA funds for San Francisco, has informed the City that a total of \$154,500 in previously allocated TDA Article 3 funds in FY 1989-90 must be expended or encumbered prior to June 30, 1992, or the City

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



will lose these funds. According to Mr. Jerry Robbins of the DPT, any of these \$154,500 in funds which the City does not expend or encumber would revert back to the MTC, and the City may reapply for these funds and reallocate the funds to other projects, such as handicap curb ramp projects or MUNI operations.

4. Mr. Robbins reports that although the DPT has spent some of these previously issued TDA Article 3 funds, there have been significant delays in billing the MTC. Mr. Robbins explains that these delays in billings can be attributed to understaffing at the DPT. However, Mr. Robbins reports that the DPT is anticipating hiring a Transit Planner III, funded solely through half-cent sales tax revenues, to coordinate these bicycle and pedestrian projects, and to decrease any delays in billing.

5. Although the MTC reports that there is a total of \$154,500 in previously allocated TDA Article 3 funds which must be expended or encumbered prior to June 30, 1992, or the City will lose these funds, the DPT reports that a total of \$97,275 has been encumbered. In addition, the DPT reports that they anticipate encumbering funds totalling \$144,915 by the end of fiscal year 1991-92, and therefore, the DPT estimates that only \$9,585 will revert back to the MTC for reallocation to the City and County during FY 1993-94.

6. In a memo from the Controller to the Finance Committee dated May 22, 1992, the Controller indicates that of the \$456,000 of TDA Article 3 funds awarded to the City for FY 1991-92, only \$1,700 has thus far been spent. In addition, the Controller indicates that other funds are available for bicycle and pedestrian projects such as half cent sales tax revenues and State Proposition 116 funds, which are not in competition with MUNI's budget.

7. The DPT has completed a "Disability Access Checklist" which is in the file.

8. Attached is the "Summary of Grant Request."

9. Although the Board of Supervisors has passed a resolution in 1990 (File 196-90-6) which supported the full use of TDA Article 3, bicycle/pedestrian funds for bicycle improvements, given that the proposed TDA funds could be used to offset MUNI operations costs, approval of the proposed resolution is a policy matter for the Board of Supervisors.

10. The Controller suggests that the Finance Committee defer action on this request until the Committee receives a

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

complete report on the total bicycle and pedestrian program from the Departments involved including all funding sources. In addition, the Controller suggests that the Finance Committee consider the proposed TDA Article 3 allocation at the same time as the Committee considers the MUNI's General Fund budget for 1992-93 since these funds are in competition with all other General Fund programs.

**Recommendation:** Given that the proposed TDA funds could be used to offset MUNI operations costs, approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item No. \_\_\_\_\_ - Summary of Grant Request Rev. 4/10/90

Grantor State TDA Funds - Article 3 Division Department of Parking & Traffic

Contact Person Metropolitan Transportation Commission Section \_\_\_\_\_

Address \_\_\_\_\_ Contact Person Tim Johnson

Telephone 554-9823

Amount Requested \$ 450,000 Application Deadline \_\_\_\_\_

Term: From 7/1/92 To 5/30/95 Notification Expected \_\_\_\_\_

Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

**I. Item Description:** Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of \$450,000 from the period of 7/1/92 to 5/30/95 to provide Bicycle/Pedestrian Improvement services.

(Circle appropriate words)

**II. Summary:** (Context/history, need addressed; number + groups served; services and providers)  
 The proposed funds would be used for support bicycle/pedestrian improvements, including installation of signing and marking handicapped curb ramps and improved pedestrian walkways in Bernal Heights.

**III. Outcomes/Objectives:**  
 Improve bicycle/pedestrian conditions.

**IV. Effects of Reduction or Termination of These Funds:**

**V. Financial Information:**

	<u>Col. A</u> Two Years Ago	<u>Col. B</u> Past Year/Orig.	<u>Col. C</u> Proposed	<u>Col. D</u> Change	<u>Req. Match</u>	<u>Approved by</u>
Grant Amount		<u>\$472,313</u>	<u>\$450,000</u>	<u>(\$22,313)</u>		
Personnel						
Equipment						
*Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other		<u>\$472,313</u>	<u>\$450,000</u>	<u>(\$22,313)</u>		
Indirect Costs						

**VI. Data Processing**

(costs included above)

**VII. Personnel**

	<u>N/A</u>				
F/T CSC					
P/T CSC					
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

**VIII. Contractual Services:** Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Proposals Form)



Item 4 - File 97-92-29

**Note:** This item was continued by the Finance Committee at its meeting of May 20, 1992.

1. The proposed ordinance would amend Section 16.157 of the Administrative Code to approve the City's FY 1992-93 Health Service System plans and rates of contribution as adopted by the Health Service Board to be paid by the members of the system. The members of the system are comprised of employees, retirees, and the surviving spouses of employees and retirees of the City and County of San Francisco, the San Francisco Unified School District and the Community College District.

2. The Board of Supervisors previously adopted a resolution setting the City's contribution to the Health Service Fund for FY 1992-93 at \$163.27 per month for each member. The City's contribution was established in accordance with Charter Sections 8.423 and 8.428, which set the average contribution rate based on a survey of the ten most populous counties in California. The City's contribution of \$163.27 per month (\$1,959.24 per year) represents an increase of 54¢ per month, or less than one percent over the FY 1991-92 rate of \$162.73 per month (\$1,952.76 per year).

3. Once the City's contribution is established, member contributions are calculated by the Health Service System actuary, Rael and Letson, Consulting Actuaries in order to ensure that contributions from all sources will be adequate to support anticipated claims for the upcoming fiscal year. The proposed ordinance would establish member contribution rates for FY 1992-93 pursuant to Charter Sections 8.421 and 8.422. Charter Sections 8.421 and 8.422 require approval by three-fourths of the members of the Board of Supervisors after the Board has secured an actuarial report of the costs and effects of any proposed change in the benefits of the Health Service System or rates of contribution. Contribution rates vary according to: (1) whether or not a member is an active employee, retired employee, or surviving spouse; (2) whether or not that individual has Medicare coverage; and (3) which of the City's six health plans that individual elects to join. The actuarial report and details of the member contribution rates are contained in the Clerk's file.

4. Six plans will be offered in the 1992-93 fiscal year. The plans are:

- City Health Plan\*
- Kaiser Foundation
- Bridgeway
- Aetna Health Plans of Northern California (formerly Bay Pacific)
- Qual-Med California (formerly Heals)
- Foundation Health Plan

\*Administered by the Health Service System.



5. The total revenue generated from employer and member contributions for the health plans in 1992-93 is estimated to be \$142.6 million. A summary of the revenue sources is as follows:

	<u>Amount</u> <u>(Millions)</u>	<u>Percent</u> <u>of Total</u> <u>Contributions</u>
City and County Contribution		
- Current Employees	\$56.9	39.9
- Retired Employees and Surviving Spouses	20.7	14.5
School District/Community College District Contribution		
- Current Employees	16.5	11.6
- Retired Employees and Surviving Spouses	<u>7.4</u>	<u>5.2</u>
Total Employer Contributions	\$ 101.5	71.2
Employee Contributions	<u>41.1</u>	<u>28.8</u>
Total Contributions	\$142.6	100.0

6. Of the total estimated employer contributions of \$101.5 million, approximately \$49,329,000, or approximately 48.6 percent, would be contributed from the City's General Fund. The remaining \$52.17 million of employer contributions would be paid from the City's Special Funds (e.g., Airport, Port, Water Department and Hetch Hetchy) and from School District and Community College District revenue sources.

7. The employee contribution rates for health benefits for fiscal year 1992-93 generally reflect an increase in employee contribution costs. According to the Health Service System, this is because the increase in employer contributions of 54¢ per employee per month, which were established based on a survey of average contribution rates for the ten most populous counties in California, is very slight. Therefore, increased medical costs must be supported by increased employee contributions and decreased benefits in some health plans. The cost changes to employees range from a reduction of \$15.73 per month (\$188.76 annually) to an increase of \$51.61 per month (\$619.32 annually). Mr. Smith advises that the unions object to the increased employee contributions and decreased benefits in some health plans. However, the City's contribution is established in accordance with Charter Sections 8.423 and 8.428, and therefore cannot be increased.

A comparison of the FY 1991-92 monthly rates for active and retired City employees with the proposed FY 1992-93 rates adopted by the Health Service Board and the monthly difference in costs are as follows:

	1991-92 Monthly <u>Rates</u>	1992-93 Monthly <u>Rates</u>	Monthly <u>Difference</u>
<u>City Health Plan</u>			
Single Employee	\$38.06	\$38.00	\$ (.06)
Employee plus one dependent	172.03	200.00	27.97
Employee plus two dependents	259.09	305.00	45.91
<u>Kaiser Foundation Health Plan</u>			
Single Employee	0	10.18	10.18
Employee plus one dependent	158.89	174.17	15.28
Employee plus two dependents	234.10	285.71	51.61
<u>Bridgeway Health Plan</u>			
Single Employee	0	9.61	9.61
Employee plus one dependent	152.98	161.60	8.62
Employee plus two dependents	224.04	271.56	47.52
<u>Aetna Health Plans of California</u>			
Single Employee	0	10.53	10.53
Employee plus one dependent	174.86	173.88	(.98)
Employee plus two dependents	239.92	268.42	28.50
<u>Qual-Med California</u>			
Single Employee	0	5.00	5.00
Employee plus one dependent	176.63	160.90	(15.73)
Employee plus two dependents	236.38	245.04	8.66
<u>Foundation Health Plan</u>			
Single Employee	0	7.35	7.35
Employee plus one dependent	163.05	162.07	(.98)
Employee plus two dependents	246.28	274.78	28.50

Decreased benefits include, but are not limited to, an increase in the annual deductible for the City Health Plan from \$175 to \$250, an increase from no charge to \$5 for physicians' visits for the Bridgeway Plan, and an increase from no charge to \$5 for physicians' visits and an increase in prescription drugs from \$3 to \$5 in the Kaiser Plan. For more information on benefit changes, see attached.

8. The total estimated cost of \$142.6 million for the various health plans for FY 1992-93 includes the employer and employee contributions and represents an average increase of approximately 9 percent over the FY 1991-92 costs of \$130.8 million. The projected total premium contributions (in millions) based on current plan membership for the six health plans (assumes all current members continue to subscribe to the same health plans in 1992-93) are as follows:

	<u>1991-92 Projected Premiums</u>	<u>1992-93 Projected Premiums</u>	<u>Percentage Increase</u>
City Health Plan	\$38.6	\$46.8	21.2
Kaiser Foundation Health Plan	59.8	62.3	4.2
Bridgeway Health Plan	17.7	18.6	5.1
Aetna Health Plans of California	9.7	10.1	4.1
Qual-Med California	4.8	4.6	(4.2)
Foundation Health Plan	<u>.2</u>	<u>.2</u>	--
Total	\$130.8	\$142.6	9.0

9. In November 1991, the voters approved a measure (Proposition B) which provides employer-supported dental care benefits to City employees. Currently, most City employees may participate only in employee-paid dental plans. Mr. Randall Smith of the Health Service System advises that previously, only the following City, Unified School District (SFUSD), and Community College District (SFCCD) employees received employer-paid dental benefits: (a) all permanent classified and almost all certificated teachers at SFUSD and SFCCD; (b) all nurses; and (c) all full-time transit operators employed by the Municipal Railway. As a result of Proposition B, Mr. Smith advises, at least 19,000 additional employees are anticipated to be eligible for employer-supported dental care benefits.

Mr. Smith reports that two types of dental plans are to be made available to employees. The first type is an indemnity plan, where employees may select any dentist and the dentist will be paid for the dental services based on a set schedule of benefits. Employees under this plan are responsible for a portion of their dental care, such as 50 percent for dentures or 20 percent for fillings. The second type is a pre-paid plan, where employees must select from a limited number of dentists enrolled in the plan. Under the pre-paid plan, employees are responsible for few or no co-payments for their dental work.

According to Mr. Smith, the Employee Relations Division negotiated with the unions regarding the implementation of Proposition B. ERD and the unions agreed to guarantee employees an indemnity dental plan for which the City would pay up to \$65 per month per employee. This \$65 per month would be a composite payment, in other words, the amount would be the same regardless of whether or not an employee had dependents.

Mr. Smith advises that the Health Service Board was given responsibility for selecting a vendor that would provide an indemnity plan at a composite amount of \$65 per month per employee. The Health Service Board selected Delta Dental as the vendor, based on a Request for Proposals. According to Mr. Smith, the Health System has reserved the right to pay Delta Dental either on a composite basis, at \$65 per month per employee regardless of the number of dependents, or on a three-tiered basis. Delta Dental's three-tiered rates are as follows:

1992-93  
Monthly  
Rates

City Health Plan

Single Employee	\$29.84
Employee plus one dependent	55.05
Employee plus two dependents	88.51

The Health Service System is currently beginning an open enrollment period for dental benefits. Mr. Smith reports that based on the number of employees and dependents who enroll in the various programs, the Health Service System will select the least costly method of payment for the City.

In addition to the indemnity plan, the Health Service System has elected to offer employees two pre-paid plans, DentiCare Dental Plan and Safeguard Dental Plan. The rates for DentiCare Dental Plan and Safeguard Dental Plan are as follows:

DentiCare Dental Plan

Single Employee	\$ 16.25
Employee plus one dependent	21.95
Employee plus two dependents	32.50

Safeguard Dental Plan

Single Employee	13.74
Employee plus one dependent	21.20
Employee plus two dependents	31.98

These two pre-paid programs are less than half the price of the indemnity program through Delta Dental. Thus, for every employee who participates in one of these programs, the City's costs would be reduced. Although employees who select a pre-paid program would be restricted to those dentists enrolled in the program, employees who select the pre-paid program would be required to pay little or no portion of their dental care costs, as they would under Delta Dental.

Mr. Smith reports that the Health Service System anticipates that nearly every employee eligible to receive dental care benefits will enroll in the program. The total cost to the City of providing these dental plans will be dependent on the number of employees who elect to enroll in each plan, and on the number of dependents of those employees. However, the Budget Analyst estimates, based on a minimum of 19,000 newly eligible employees, that the cost would most likely range from a minimum of \$12,859,200 annually, based on 20 percent of 19,000 employees enrolling in pre-paid plans at a cost of \$22 per month per employee with one dependent (\$1,003,200 per year) and 80 percent of 19,000 employees enrolling in the indemnity program at a maximum of \$65 per month (\$11,856,000), to a maximum of \$14,820,000 annually, if 19,000 employees become eligible and each employee elects to enroll in the indemnity plan at a cost of \$65 per employee per month for twelve months. The Controller advises that funds for the dental plan have been included in the Mayor's recommended FY 1992-93 budget.

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**Recommendation**

Approve the proposed ordinance.



## **HEALTH PLAN**

### **RATE AND BENEFIT CHANGES**

#### **CITY HEALTH PLAN**

##### **Contribution Rates**

The overall rate increase of the plan is approximately 21.2%, which based on current membership will increase annual premiums from \$38.6 million currently to \$46.8 million in 1992-93.

##### **Proposed Benefit Changes**

###### **Preferred Provider Plan Benefit Changes**

- \* No Benefit Changes.

###### **Standard Plan Benefit Changes**

- \* All covered services paid at 70% of usual and reasonable charges after a \$250 deductible is satisfied. (Current coverage is at 80% with a \$175 deductible).

Exceptions to above coverage:

Inpatient hospital bills incurred in a hospital outside the Preferred Provider service area and by a member residing outside the PPO service area would be paid at 80%.

Inpatient hospital bills incurred in a hospital within the PPO service area would be paid at 50% with the exception of emergency admissions to be paid at 80%. The benefit for emergency admission is reduced to 50% coverage once the patient's condition has stabilized and it is medically determined that a transfer to a contract Preferred Provider Hospital can be made.

- \* Special Surgery benefit will be covered at 70% of usual and customary charge (currently covered at 100%).
- \* Dental services related to an injury or treatment/removal of tumors of the gums are covered at 70% (This is a reduction in covered dental services and benefit copayment).
- \* Vision examination and lense replacement every 24 months (currently every 12 months).
- \* Acupuncture benefit eliminated.

## **KAISER FOUNDATION HEALTH PLAN**

### **Contribution Rates**

The overall rate increase of the plan is approximately 0.8% which based on current membership will increase annual premiums from approximately \$ 59.8 million currently to \$60.3 million in 1992-93.

### **Proposed Benefit Changes**

- \* Physician visit will cost \$5 per visit (There is no charge currently).
- \* Prescription drugs will cost \$5 per prescription up to a 34-day supply (currently \$3 per prescription).
- \* Mental health visits will cost \$20 per visit when prescribed by a Plan physician (currently there is no charge for maximum of 20 visits).
- \* Allergy tests and injection visits will cost \$3 per visit (There is no charge currently).

## **BRIDGEWAY HEALTH PLAN**

### **Contribution Rates**

The overall rate increase of the plan is approximately 5.1% which based on current membership will increase annual premiums from approximately \$17.7 million to \$18.6 million for 1992-93.

### **Proposed Benefit Changes**

#### **Network Plan**

- \* No Benefit Changes

#### **Hospital Based Plan**

- \* Physician visits will cost \$5 per visit (There is no charge currently).
- \* Physical Therapy visit will cost \$15 per visit (There is no charge currently).

## **AETNA HEALTH PLANS OF NORTHERN CALIFORNIA** **Formerly Bay Pacific Health Plan**

### **Contribution Rates**

The overall rate increase of the plan is approximately 4.1% which based on current membership will increase annual premiums from \$9.7 million to approximately \$10.1 million for 1992-93.

### **Proposed Benefit Changes**

- \* None

**QUAL-MED CALIFORNIA**  
**Formerly Heals Health Plan**

**Contribution Rates**

The overall rate increase of the plan is approximately (4.2)% which based on current membership will increase annual premiums from \$4.8 million to approximately \$4.6 million for 1992-93.

**Proposed Benefit Changes**

- \* None.

**FOUNDATION HEALTH PLAN**

**Contribution Rates**

The overall rate increase of the plan is approximately -- % which based on current membership will increase annual premiums from \$.2 to \$.2 for 1992-93.

**Proposed Benefit Changes**

- \* None.

**DENTAL PLANS**

- \* The Colonial Life Dental Plan will no longer be offered effective July 1, 1992.

All retired and members will have an option of three dental plans:

**Delta Dental Plan** - This is a fee-for-service dental plan where you may select the dentist of your choice to provide services.

**DentiCare Dental Plan** - This is a closed panel prepaid dental plan providing a comprehensive set of benefits. You must select a dentist from those dentists participating in the plan.

**Safeguard Dental Plan** - This is also a closed panel prepaid dental plan providing a comprehensive set of benefits. You must select a dentist from those dentists participating in the plan.

The benefits and premium costs of each plan are enclosed.

**DISABILITY PLAN**

- \* A hospital income protection rider will be offered for the first time.



Item 5 - File 100-92-3

**Note:** This item was continued by the Finance Committee at its meeting of May 20, 1992.

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This latest projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both.

According to Mr. Ted Lakey of the City Attorney's Office, the California State Constitution requires that the City and County of San Francisco adopt a balanced budget each year. The City's Charter, Section 6.203 states that not later than June first of each year, the Mayor shall transmit to the Board of Supervisors the consolidated budget estimates for all departments and the proposed budget for the City and County for the ensuing fiscal year, including a detailed estimate of all revenues for each department and an estimate of the amount required to meet bond interest, redemption and other fixed charges of the City and County and the applicable revenues. At the same time, the Mayor is also required to submit to the Board of Supervisors a draft of the Annual Appropriation Ordinance for the ensuing fiscal year, which is prepared by the Controller.

According to Mr. Burk Delventhal of the City Attorney's Office, the Mayor is required to submit a balanced budget to the Board of Supervisors. Mr. Delventhal acknowledges however that the Mayor's proposed budget may include anticipated revenues that have yet to be adopted by the Board of Supervisors. For example, during the fiscal year 1991-92 budget, the Mayor submitted a proposed budget that included increases in the City's parking tax from 20 to 25 percent and increases in the MUNI Fast Pass, the projected revenues from which would balance the proposed expenditures. The Board of Supervisors had not yet adopted these revenue measures as of June, 1991 when the Mayor submitted his recommended budget to the Board of Supervisors.



In preparation for an anticipated shortfall in the 1992-93 budget, Ms. Teresa Serata of the Mayor's Office reports that initially the Mayor's Office requested that each department submit a reduced 10 percent proposed budget for fiscal year 1992-93. However, given the \$139.2 to \$148.2 million shortfall projected, the Mayor's Office requested that each department and commission review and resubmit their proposed 1992-93 budgets to the Mayor's Office, to include an additional 8 percent reduction. Because many of the departments under the Chief Administrative Officer (CAO) are so small, the Mayor's Office requested an additional collective 8 percent reduction from all of the CAO's departments, rather than individually. In addition, specific reductions of \$20 million each from the Municipal Railway (MUNI) and the Health Department were requested in lieu of an additional 8 percent reduction.

According to Ms. Serata, in addition to expenditure reductions, departments were encouraged by the Mayor's Office to include additional potential revenues that could be used to offset the additional 8 percent reduction.

The Mayor's Office has outlined the following anticipated budget schedule. The Mayor's budget staff have recently finalized each department's budget. This includes additional revenue ideas and enhancements for the departments. Ms. Jean Mariani of the Mayor's Office reports that the Mayor worked with the Controller's Office during the week of May 18 through May 22, in order to reconcile individual department's numbers and the overall budget. According to Ms. Mariani, a draft final balanced budget will be submitted to the printer on May 26 and initial copies of the Mayor's 1992-93 budget should be available by approximately May 27. As has been the practice in prior years, the Mayor's Office could provide a confidential copy of the Mayor's budget to the Budget Analyst's Office once copies were available from the printer, although complete budget information, including necessary detail and back-up materials would not be available until June 1, 1992.

The Finance Committee inquired on April 8, 1992 and again on April 15, 1992 regarding the ability of the Board of Supervisors to receive the 1992-93 budget prior to the June 1, 1992 deadline as required by the Charter, or if that is not possible, to receive preliminary budget data or alternative budgetary scenarios prior to the June 1, 1992 deadline. On April 22, 1992, the Mayor presented a letter to the members of the Finance Committee providing advance information about the FY 1992-93 budget, which the Mayor's Office is currently reviewing. This letter summarized the budget process, meetings, explains the differences among the various department's budget targets, SB 855 services, etc. In addition, various attachments to this letter highlight specific expenditure reductions, revenue increases and departmental targets for the larger City departments.

On April 22, 1992, the Finance Committee also requested additional information regarding which policies and priorities were being assigned to various City programs and services, in terms of developing the FY 1992-93 budget. In reviewing individual City department budgets, Ms. Foley indicated that the Mayor's Office attempted to balance departmental revenue ideas with service

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reductions, with a goal of minimizing the impact on services to the public. However, Ms. Foley cautioned that the current administration's position that no new general tax increases will be imposed, in conjunction with the required costs of Salary Standardization and numerous Memorandum of Understanding (MOUs), consent decrees and other prior agreements, significantly limit the flexibility of the Mayor's Office in terms of which items and programs can be reduced in the FY 1992-93 budget. According to Ms. Foley, the Mayor's Office requested that each Department prioritize their budgeted programs and services according to a hierarchy of the most important to the least important, when submitting their FY 1992-93 departmental budget requests. Ms. Foley reported that most departments submitted prioritized budgets with various options, and that the Mayor's budget staff reviewed these individual departmental priorities as part of the Mayor's budget review.

Ms. Serata reports that the FY 1992-93 budget will identify all Proposition J - Children's Amendment Services according to whether these services are existing (baseline) or new programs and services. In addition, according to Ms. Serata, the Mayor's budget staff is presently compiling the number of layoffs by department that are anticipated to be included in the FY 1992-93 budget.

Mr. Ed Harrington of the Controller's Office reports that according to Section 6.306 of the Charter and based on discussions with the City Attorney, the Controller is not required to certify the revenues contained in the Annual Appropriation Ordinance (annual budget). As required by Section 6.301 of the Charter, the Controller is responsible for periodically preparing revenue projections and if the Controller's revenue projections indicate a shortfall of revenues, the Controller has the authority to limit expenditures by City departments to the extent of the revenues being projected. According to Mr. Harrington, as historically has occurred, he anticipates that there will be agreement between the Controller and the Mayor's Office regarding the revenue estimates for FY 1992-93.

Mr. Harrington advises that the Controller's Office has had some discussions with the Mayor's staff and consulted with local leading economists on the projected major revenues (e.g., property taxes, sales taxes, motor vehicle in lieu and business taxes) for FY 1992-93. At the May 20, 1992 Finance Committee meeting, the Controller provided the Finance Committee with some additional projected revenues for FY 1992-93. However, on May 20, 1992, the State Department of Finance also issued their revised May estimates for revenues, reflecting a significantly more pessimistic projection for FY 1992-93, which had not been factored into the projected revenues. As a result of the State report, the Controller, Mayor's Office and Budget Analyst are reconsidering the revenue projections for additional adjustments.

Ms. Mariani confirms that the Mayor will be submitting a balanced budget to the Board of Supervisors by June 1, 1992, which will contain new revenues and reductions in expenditures.



Item 6 - File 148-92-2

**Department:** Department of Public Works (DPW)

**Item:** Resolution authorizing the Director of Public Works to apply for, accept and expend Federal funds for seismic retrofitting modifications and rehabilitation of various bridges in San Francisco.

**Grant Amount:** \$8,200,000 (See Comment #1)

**Grant Period:** Approximately July 1, 1992 through June 30, 1998

**Source of Funds:** Federal Highway Administration (FHWA), administered under the State Department of Transportation (Caltrans)

**Project:** Bridge Replacement and Rehabilitation Program

**Description:** The proposed grant funds have been made available under the Intermodal Surface Transportation Efficiency Act of 1991. The proposed grant funds would be used for extensive repairs, seismic retrofitting, modifications and rehabilitation for proper functioning and safety of various bridges in San Francisco. The bridges which have been identified for repairs, based on studies and inspections by the DPW, are as follows:

Roanoke pedestrian overcrossing (over San Jose Avenue)  
Richland Avenue overcrossing  
China Basin Bridge (4th Street)  
Market Street Viaduct (near 24th Street)  
Market Street, sidehill viaducts 3 and 4  
Argent Street pedestrian overcrossing (over Market Street)  
Romain Street pedestrian overcrossing (over Market Street)  
Geary Street underpass at Fillmore Street  
Webster Street pedestrian overcrossing (Geary Boulevard)  
Bryant Street sidehill bridge  
Harrison Street viaduct  
Brotherhood Way pedestrian overcrossing  
Highland Avenue  
Broadway Tunnel (between Hyde and Mason)  
Hester Avenue sidehill viaduct (Route 80)  
Lippard Street pedestrian overcrossing  
Hampshire Road  
L Line overcrossing  
Market Street Sidehill viaduct 1  
Broadway Street (Mason Street bridge)  
Geary Blvd. (under Masonic Avenue)  
Stockton Street Tunnel  
Quint Street underpass

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Whale Shopping Plaza  
Boston Shopping Plaza  
California State  
Automobile Association pedestrian overcrossing  
Lincoln Way separation  
City College pedestrian overcrossing  
Hyde Street viaduct  
Church Street (at 19th Avenue)

Budget:	<u>Federal</u>	<u>Local</u>	<u>Total</u>
<u>Contractual Services</u>			
Construction Contract	\$4,458,678	\$541,322	\$5,000,000
Contingencies (10 %)	<u>445,868</u>	<u>54,132</u>	<u>500,000</u>
Total Contractual Service	\$4,904,546	\$595,454	\$5,500,000
DPW Design Engineering	565,079	68,605	633,684
DPW Inspection	565,079	68,605	633,684
DPW Overhead	<u>525,296</u>	<u>907,336</u>	<u>1,432,632</u>
Total Project Cost	\$6,560,000	\$1,640,000	\$8,200,000

**Required Match:** \$1,640,000, to be funded through a combination of gas tax funds and half-cent sales tax funds, to be applied for annually by the DPW throughout the grant period (approximately July 1, 1992 through June 30, 1998).

**Indirect Costs:** The use of grant funds for indirect costs is prohibited by the granting agency (See Comment #2). Therefore, the DPW is requesting that indirect costs be waived.

**Comments:** 1. Although the proposed legislation indicates that the Department of Public Works (DPW) is requesting authorization to apply for, accept and expend Federal funds in the amount of \$8,200,000, as noted in the above-listed budget, total project costs are estimated at \$8,200,000, consisting of \$6,560,000 in Federal funds and \$1,640,000 in local matching funds. Therefore, the proposed resolution should be amended to authorize the DPW to apply for, accept and expend \$6,560,000 in Federal funds versus \$8,200,000 as indicated on the proposed resolution.

2. As noted above, the granting agency (FHWA) does not allow the use of grant funds for indirect costs. However, the FHWA is providing reimbursement for DPW's overhead. According to Mr. David Leung of the DPW, included in the DPW overhead is mandatory fringe benefits, holiday pay and DPW clerical and administrative costs. Mr. Leung reports

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that although the FHWA does reimburse for a portion of these mandatory fringe benefits and holiday pay costs, the FHWA does not reimburse for indirect costs which would go back into the General Fund. Therefore, the DPW is requesting that indirect costs be waived.

3. According to Ms. Kathy How of the Department of Public Works (DPW), the contractor for the proposed bridge replacement and repair project has not yet been selected. Therefore, the proposed resolution should be amended to reserve the \$5,500,000 budgeted for contractual services (consisting of \$4,904,546 in Federal funds and \$595,454 in local matching funds) pending the selection of a contractor(s), MBE and/or WBE status of the contractor(s) and finalized cost details.

4. Mr. David Leung of the DPW reports that the average hourly rate for DPW project staff which would complete the Design Engineering and Inspection is approximately \$50 an hour. Therefore, the DPW is estimating approximately 25,347 hours would be incurred on the proposed project for the \$1,267,368 budgeted for Design Engineering and Inspection (consisting of \$633,684 budgeted for Design Engineering and \$633,684 budgeted for Inspection).

5. The Disability Access Checklist is in the file.

6. Attached is the "Summary of Grant Request."

- Recommendations:**
1. Amend the proposed resolution to authorize the DPW to apply for, accept and expend \$6,560,000 in Federal funds versus \$8,200,000 as indicated on the proposed resolution.
  2. Amend the proposed resolution to reserve the \$5,500,000 budgeted for contractual services (consisting of \$4,904,546 in Federal funds and \$595,454 in local matching funds) pending the selection of a contractor(s), MBE and/or WBE status of the contractor(s) and finalized cost details.
  3. Approve the proposed resolution as amended.

Item No. \_\_\_\_\_

## - Summary of Grant Request

Rev. 4/10/90

Grantor Federal Highway AdministrationDivision Dept. of Public Works (DPW)

Contact Person \_\_\_\_\_

Section \_\_\_\_\_

Address \_\_\_\_\_

Contact Person Kathy HowTelephone 554-8368

Amount Requested \$ \_\_\_\_\_

Application Deadline \_\_\_\_\_

Term: From \_\_\_\_\_ To \_\_\_\_\_

Notification Expected \_\_\_\_\_

Health Commission \_\_\_\_\_

Board of Supervisors: Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$ 6,560,000 from the period of 7/1/92 to 6/30/98 to provide \_\_\_\_\_ services.

II. Summary: (Context/history, need addressed; number + groups served; services and providers)

The proposed grant funds would be used for extensive repairs seismic retrofitting, modifications and rehabilitation for proper functioning and safety of various bridges in San Francisco.

III. Outcomes/Objectives:

Improved safety and repairs to various bridges in San Francisco.

IV. Effects of Reduction or Termination of These Funds:

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			\$6,560,000		\$1,640,000	
Personnel						
Equipment						
*Contract Svc.			\$4,904,546		\$ 595,454	
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

VI. Data Processing

(costs included above)

VII. Personnel

F/T CSC					
P/T CSC					
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

\*VIII. Contractual Services: Open Bid X Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)

Item 7 - File 123-92-1

- Department:** Department of Public Works (DPW)  
Bureau of Engineering
- Item:** Ordinance amending Article 8, Part II, Chapter X, of the San Francisco Municipal Code (Public Works Code) by amending Sections 352, 353, 368 and 374 and by adding Sections 352.1 and 352.2 to authorize the Director of Public Works to set schedules of fees and to collect said fees to recover costs of administering and regulating permitted excavations.
- Description:** The Department of Public Works (DPW) currently collects fees for excavation certificates in the amount of \$0.12 per square foot of pavement to be excavated.
- The proposed ordinance would authorize the Director of Public Works or his or her designated representative to develop and establish a rate schedule that would set the fees to be deducted or collected for any excavation approved pursuant to Article 8. The Director would base the rate schedule on those costs that the Director estimates are reasonably expected to be actually incurred by the Department in the course of administering, regulating and inspecting excavations, as are authorized under Article 8. The rates would be set according to the extent and complexity of the excavation. Factors to be considered by the Director in determining the actual costs would include, but not be limited to, administrative costs, supervision and inspection charges, and overhead expenses. The schedule of fees would also provide rates for special costs including, but not limited to, overtime, weekend or night work, or other work for which the Department may incur more than the normal anticipated cost for administration, supervision and inspection. The Director of Public Works would be authorized to revise the rates and fee schedules from time to time but not more than once in a fiscal year, to reflect any changes in the costs incurred by the Department.
- Comments:**
1. DPW's current fee for excavation work is \$0.12 per square foot of pavement to be excavated, with a minimum fee of \$25, and an amount to cover the actual cost of inspection for excavations other than utility excavations, such as work performed by a private contractor.
  2. DPW's proposed excavation fees would provide for a permit processing fee of \$25 and an inspection fee of either \$1.00 or \$1.50 per square foot, as shown on the following page. Therefore, the proposed rate per square foot would increase

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by a range of from 733 percent (\$0.12 to \$1.00) to 1,150 percent (\$0.12 to \$1.50).

<u>Square footage</u>	<u>Permit Processing Fee</u>	<u>Inspection Fee</u>
Less than 100 sq. ft.	\$25	\$25
101-500 sq. ft.	\$25	\$1.00 per sq. ft.
Greater than 500 sq. ft.	\$25	\$1.50 per sq. ft.

Note: Square foot rate is calculated relative to each approved permit's proposed excavation surface area (length x width).

3. Revenues obtained from excavation fees are placed in the Excavation Fund, a special fund.

4. As currently proposed, approval of this proposed legislation would enable the Director of Public Works to have blanket authority to set future rate schedules without obtaining any subsequent approval from the Board of Supervisors.

5. Ms. Denise Brady of DPW has provided the Budget Analyst with a chart showing actual expenditures and revenues from excavation fees for fiscal years 1985-86 through 1990-91 and estimated expenditures and revenues for fiscal year 1991-92 (Attachment I). Attachment I also shows the surplus funds carried forward each year, the number of permits issued and square footage inspected for FYs 1990-91 and 1991-92 (estimated). In addition, Attachment I shows the square footage range for permits issued in FYs 1990-91 and 1991-92.

6. Attachment II displays projected costs for DPW's excavation inspection program during FY 1992-93. The projected costs are based on a workload of 6,000 excavation permits to be issued.

7. Ms. Brady reports that fees were last changed in 1985, when they were reduced because of the then existing large fund surplus (see Attachment I).

8. The service performed by an excavation inspector is that of ensuring that pavement is excavated and restored in accordance with City standards. The largest excavators in the City, in order of their excavation activities, are PG&E, the San Francisco Water Department, Pacific Bell, and Viacom.

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All other excavation permittees constitute less than one percent of all excavations.

9. The following examples illustrate the effect of the proposed fee increase.

Example 1: 3' x 3' excavation in a City street to repair a water or gas leak

Current Fee	\$25	
Proposed Fee	\$50	
Percentage Increase		100 percent

Example 2: A 100' x 2' excavation to provide new water, gas, or telephone service.

Current Fee	\$25	
Proposed Fee	\$225	
Percentage Increase		800 percent

Example 3: A 400' x 2' (City block) excavation to replace a water or gas main.

Current Fee	\$96	
Proposed Fee	\$1,225	
Percentage Increase		1,176 percent

10. Attachment III shows the inspection levels that could be accomplished at revenue levels of \$500,000 and \$843,000. The proposed fee increase is projected to generate revenues of approximately \$843,000 or approximately 146 percent more than the estimated \$342,055 in revenues that the Department expects to collect in FY 1991-92. Ms. Brady states that inspection services at the \$843,000 revenue level are required to adequately insure that the City's standards for the excavation and restoration of pavement are being adhered to.

11. The San Francisco Water Department, in a letter to the Department of Public Works dated April 10, 1992, addressed the issue of the proposed increase in excavation permit fees (Attachment IV). In that letter, the Water Department indicates there are some problems with the proposed new fee structure since the rates for the larger projects are higher and there should be economies of scale. Furthermore, the Water Department states that the increased fees will result in increased excavation permit fees paid by the Water Department of greater than \$100,000.

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12. As previously noted, approval of this proposed legislation would grant blanket authority to the Director of Public Works to increase fees in the future without obtaining subsequent approval from the Board of Supervisors.

**Recommendation:** Disapprove the proposed ordinance.

## EXCAVATION FUND EXPENDITURE AND REVENUES

05/21/92

FISCAL YEAR	EXPENDITURE	REVENUE	BALANCE CARRIED FORWARD	NO. OF PERMITS	TOTAL SQ. FT.
85 - 86	369,637	290,083	623,087	UNAVAILABLE	UNAVAILABLE
86 - 87	396,654	283,662	510,095	"	"
87 - 88	381,751	325,662	454,006	"	"
88 - 89	425,881	322,156	350,281	"	"
89 - 90	442,396	351,458	259,343	"	"
90 - 91	415,278	221,709	65,774	6,075	587,262
91 - 92 (EST.)	367,953	342,055	39,876	6,000	570,000

SQ. FT. RANGE	NO. OF PERMITS	
	FY 90 - 91	FY 91 - 92 (EST.)
0 - 100	5499	5420
101 - 500	482	480
501 +	94	90

PROJECTED COSTS  
OF THE INSPECTION PROGRAM  
FISCAL YEAR 1992-1993

STAFF .....	\$783,000
1 - 6318 : SECTION MANAGER	
1 - 6231 : SENIOR STREET INSPECTOR	
4 - 6230 : STREET INSPECTOR	
1 - 5364 : PLAN CHECKER	
1 - 1811 : MIS (RECORD AND BILLING)	
TRAINING .....	15,000
AWSS PLAN CHECKING .....	15,000
COMPUTERIZED PAVING AND UTILITY EXCAVATION COORDINATION ..	<u>30,000</u>
TOTAL	\$ 843,000

## INSPECTION LEVEL

PERMITS	\$500,000	\$843,000
LESS THAN 100 SQ.FT.	COMPLAINT RESPONSE	RANDOM INSPECTION 5% OF PERMITS
101 - 500 SQ.FT.	COMPLAINT RESPONSE	ONCE A DAY
GREATER THAN 501 SQ.FT.	TWICE A DAY	TWICE A DAY

City and County of San Francisco

Public Utilities Commission  
San Francisco Water Department



April 10, 1992

RE: Excavation Permit Fees  
Proposed Amendment to  
Public Works Code Article 8

Ms. Denise Brady  
Acting Bureau Chief  
Department of Public Works  
Bureau of Subdivision,  
Surveys and Mapping  
City Hall - Room 352  
San Francisco, CA 94102

Dear Ms. Brady:

Reference is made to your letter dated April 1, 1992 to Mr. Tom Dickerman relative to proposed amendment to Article 8 of the Public Works Code to change fees for excavation permits:

The proposed amendment will impact San Francisco Water Department operations in the following activities:

- 1) Routine installations of new services, relocation and/or changes to existing services. Ordinarily these kinds of work would involve excavations of 100 square feet or less.
- 2) Repairs or required maintenance to existing services. These kinds of work can involve varying sizes of excavation, but would ordinarily fall within either of the two smaller groups, that is, less than 500, if not less than 100, square feet.
- 3) Extensive work done under contract for main replacement or to improve our distribution system. Each of these contracts would involve excavations exceeding 500 square feet.

In analyzing the proposal, we believe that the chages will result in increases amounting to more than \$100,000 in excavation permit fees paid by the water Department.



Ms. Denise Brady  
April 10, 1992  
Page 2

The Water Department annually obtains about 1,000 permits for work in Category 1 above; about 100 for Category 2; and about 12 for Category 3. Assuming 75,350 and 4,000 square feet, respectively, for average amount of excavation in the three categories, the fees would be as follows:

	<u>Present Fees</u>	<u>Present Fees</u>	<u>Present Fees</u>
Category 1	\$34,000	\$50,000	\$16,000
Category 2	6,700	37,500	30,800
Category 3	8,160	74,400	66,240

The increase in Category 3 appears to be out of proportion to the total amount of work, and the rate structure (\$0.25/square feet for small jobs and \$1.50/square feet for large jobs) is inverted. Economies of scale indicate large jobs should cost less per square foot. Main replacement work is now funded by 1991 SFWD bonds, and we are reluctant to consider this large increase in these expenditures against that funding with little advance notice.

We would appreciate the opportunity to meet with you to discuss this proposal as it affects us. Joe Pelayo of my staff will contact you for a meeting on the subject in the next few days.

Very truly yours,



Gregory Tom  
Deputy General Manager

GT/TD/lv

cc: T. Dickerman  
J. Pelayo

0487L-36



Item 8 - File 64-92-6

**Department:** Public Utilities Commission (PUC), Municipal Railway (MUNI)

**Item:** Resolution authorizing the extension and modification of an existing lease of real property for the Public Utilities Commission, Municipal Railway

**Location:** Warehouse space and land area at 23rd Street and Illinois Street (a portion of Lot 10 in Assessor's Block 4232).

**Purpose of Lease:** Storage of streetcars, materials and equipment

**Lessor:** Harrigan and Weidenmuller Company

**No. of Sq. Ft. and Cost Per Month:** Approximately 85,000 square feet @ \$.268 per sq.ft. = \$22,750/month.

**Annual Cost:** - \$273,000

**% Increase Over 1991-92:** 4 percent

**Utilities and Janitor Services:** Paid for by City

**Term of Lease:** July 1, 1992 to June 30, 1997 (five years)

**Escalation:** Monthly rent is subject to annual consumer price index increases under the terms of the proposed lease.

**Source of Funds:** MUNI Operating Funds - The \$273,000 annual rental amount has been included in the PUC's 1992-93 budget request.

**Comments:** 1. MUNI has leased space at the 23rd Street and Illinois Street location since 1987. As noted above, in addition to authorizing the extension of the proposed lease, the proposed resolution would also authorize a modification of the proposed lease. The proposed lease has been modified to change the term of the lease from one year to five years. The proposed lease results in an increase in the monthly rental amount of \$872 or approximately 4 percent, from \$21,878 to \$22,750.

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2. According to Mr. Steve Legnitto of the Real Estate Department, the monthly rental amount of \$22,750 represents the fair market rental value of the property.

**Recommendation:** Approve the proposed resolution.

Item 9 - File 97-92-30

**Department:** Department of Parking and Traffic

**Item:** Ordinance amending Chapter 10B of the San Francisco Administrative Code by adding Sections 10B.16 through 10B.20 thereto, providing for recovery of costs for additional parking enforcement and traffic control and related services rendered by the Department of Parking and Traffic.

**Description:** In November 1988, San Francisco voters approved Proposition D, which created Charter Section 3.698, establishing the Department of Parking and Traffic. On May 4, 1992, the Board of Supervisors approved an ordinance amending the Traffic Code to transfer a number of traffic control authorities, in whole or in part, from other City agencies to the Department of Parking and Traffic.

The proposed ordinance would now amend Chapter 10B of the Administrative Code to permit the Department of Parking and Traffic (DPT) to recover costs for services it provides on behalf of any person, corporation, firm, or organization requesting its services. The language of the proposed ordinance is substantially similar to existing provisions of Chapter 10B of the Administrative Code which stipulate that organizations requesting additional services "shall pay [to the Police Department or the Department of Public Works] such sums as may be necessary to cover the actual costs of the services."

**Comments:** 1. According to Mr. Tim Johnson of the Department of Parking and Traffic, since many of the functions previously assigned to the Police Department or DPW have been transferred to DPT, the proposed ordinance will provide a mechanism whereby the City and County will continue to be able to recover costs for parking and traffic control services. The services to be provided by DPT for public events would principally involve traffic re-routing, pedestrian and traffic control, and safety monitoring on the day of the event.

According to Mr. Johnson, the Police Department will continue to act as the lead agency with respect to traffic and safety monitoring activities for public events. DPT will augment the services of the Police Department by providing additional personnel for these events.

2. Mr. John Kay, a fiscal officer for the Police Department, observed that notwithstanding the provisions of Chapter 10B (the subject of the proposed ordinance), other provisions of the Administrative Code limit the ability of the Police



Department to recover its costs for services related to street fairs. Mr. Kay has calculated that the City failed to recover \$325,501 for Police services provided for street fairs during fiscal year 1990-91. It is unclear from the proposed ordinance how DPT would be affected by the limitations on departmental cost recovery for street fairs.

The proposed ordinance would amend Chapter 10B of the Administrative Code, which provides that community organizations "shall pay... such sums of money as may be necessary to pay for the additional services." The Police Department is also authorized by Chapter 10B to charge an additional 22.5 percent of its total personnel costs as indirect expenses. The proposed ordinance appears to grant to DPT similar authority, requiring payment of "such sums of money as the Director [of DPT] estimates shall be necessary to cover the actual costs of the services to be provided."

In fact, the Police Department and DPW are prevented under Section 2.70-6 of the Administrative Code from receiving full reimbursement for the cost of providing additional services to the community for street fairs. This Section outlines the fees which must be paid for City services in connection with street fairs and states that "no other fee for conducting a street fair shall be assessed." DPW's costs are not referenced in the fee schedule, and the Police Department is limited to reimbursement of **40 percent** of its actual costs or **\$2,500**, whichever is less.

Mr. Kay indicates further that the Police Department is now preparing a proposal for consideration by the Board of Supervisors which would amend the Administrative Code to permit full reimbursement, including indirect costs, for Police services related to street fairs. The proposal has not yet been submitted to the Police Commission.

Therefore, although Administrative Code Chapter 10B appears to provide for full reimbursement to the City for services provided to "any person, corporation, firm, or organization desiring additional personnel, equipment or materials," for special events, sponsors of street fairs remitted only 8.4 percent of the City's actual costs (\$29,956 recovered of personnel costs of \$355,457) for requested additional services in 1990-91.

Since the proposed ordinance amends Chapter 10B only, and does not address the restrictions contained in Section 2.70-6, it does not clarify how organizers of street fairs are to be billed for the services of DPT. Unless the services of DPT were specifically referenced in Section 2.70-6, it is unlikely that organizers of street fairs could be required to reimburse the City for DPT's services.

In contrast, reimbursements for the costs of athletic events are governed by Sections 2.75-4 and 2.75-5 of the Administrative Code, which provide for reimbursement to be made to the Police Department or DPW, respectively, "pursuant to Chapter 10B of this Code." The Departments are therefore able to require reimbursement of 100 percent of the costs they incur for services provided for athletic events, and the Police Department also receives 22.5 percent of its personnel costs to cover indirect expenses. However, no proposed legislation is available to clarify DPT's treatment of costs associated with athletic events, by incorporating DPT in the references of Section 2.75.

3. Mr. Johnson indicates that the Department of Parking and Traffic has not yet instituted policies and procedures for cost recovery under the proposed ordinance, but will do so when and if the proposed ordinance is adopted. He indicates, however, that sponsors and organizers of public events would be billed in advance based on the Department's estimated costs, using procedures now in place through the City's Interdepartmental Staff Committee on Transportation and Traffic.

According to Mr. Johnson, employees of DPT would provide services which have previously been provided by the Police Department. The costs of DPT's services, and the associated level of reimbursement, would depend on the extent to which Traffic Control Officers were used instead of Police Officers to monitor public events.

4. Mr. Johnson indicates that the Department of Parking and Traffic would probably not include indirect costs in the calculation of its service costs, and he believes that very few administrative expenses would be incurred, since costs would consist primarily of staff salaries on the day of the event.

5 According to Sgt. Burt Olson of the San Francisco Police Department, who is responsible for planning and budgeting Police services for special community events, Police services for special events usually include inspecting the proposed site, creating and posting "No Parking" signs in affected area, delivering and picking up street barriers in connection with the event, and providing traffic and safety monitoring on the day of the event.

Sgt. Olson indicates that there is no plan of which he is aware to coordinate the services of the Police Department and DPT for the provision of traffic and safety monitoring for public events.

Mr. Kay indicated that the Police Department has employed a larger number of officers on motorcycles for special events since the transfer of Parking Control Officers to DPT, at a cost which is probably somewhat higher than if Parking Control Officers were used.

6. Because of the need to include references to the Department of Parking and Traffic in additional sections of the Administrative Code, and to establish reimbursement rates which are consistent among City departments, Mr. Johnson has requested that the matter be continued so that he may collaborate with the Police Department on the text of proposed amendments to the Administrative Code.

**Recommendation:** Continue the proposed ordinance, as requested by the Department of Parking and Traffic, pending receipt of proposed legislation from the Department which would amend all relevant sections of the Administrative Code regarding references to the Department of Parking and Traffic, and which would be consistent with existing or proposed Administrative Code sections governing reimbursements to the Police Department and DPW.

Items 10, 11, 12 and 13 - Files 170-92-5, 170-92-6, 170-92-7 and 170-92-8

**Items:**

Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of correctional facilities, to replace the existing San Bruno Jail facilities, including replacement, housing, associated health and safety improvements and related acquisition, construction or reconstruction, and that the estimated cost of \$158,100,000 is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of a bonded indebtedness (File 170-92-5).

Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of long term care facilities, including replacement of Laguna Honda Hospital facilities, improvements to existing Laguna Honda Hospital structures, and related acquisition, construction or reconstruction and that the estimated cost of \$548,400,000 is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of a bonded indebtedness (File 170-92-6).

Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of a Juvenile Justice Complex, including health and safety improvements, asbestos management, disabled access and structural and security improvements to the existing Youth Guidance Center and Juvenile Hall, a new Juvenile Justice Complex and community based facilities and that the estimated cost of \$78,900,000 is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of a bonded indebtedness (File 170-92-7).

Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of Fire Department facilities, including seismic strengthening, asbestos abatement, disabled access, separate bathroom and changing areas for male and female firefighters, improvements to the auxiliary water supply system and that the estimated cost of \$97,000,000 is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of a bonded indebtedness (File 170-92-8).

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**Comments:**

These four General Obligation bond measures have been calendared solely for the purpose of hearing presentations by departments. There are no reports by the Capital Improvement Advisory Committee (CIAC) on these bond measures.

According to the May 27, 1992 Finance Committee calendar, it is the intention of the Chair of the Finance Committee to continue these four General Obligation bond measures to the June 10, 1992 Finance Committee meeting.



Item 14 - File 121-92-5

- Item:** Ordinance amending Part II, Chapter VIII of the San Francisco Municipal Code (Police Code), by amending Article 1, Section 38 to add one designated Officer for the purpose of enforcing laws related to littering.
- Description:** Article 1, Section 38 of the Municipal Code defines those classifications empowered to enforce laws related to littering. The proposed ordinance would add an 8240 Environmental Control Officer to the list of classifications empowered to enforce laws related to littering.
- Comments:**
1. The proposed ordinance would amend the Municipal Code to add an 8240 Environmental Control Officer. According to Civil Service, the classification number for an Environmental Control Officer is 8280. Therefore, if approved, the proposed ordinance should be amended to add an 8280 Environmental Control Officer, not an 8240 Environmental Control Officer.
  2. According to Mr. John Roumbanis of the DPW, since Environmental Control Officers already enforce litter violations, the proposed resolution would simply update the Municipal Code to reflect current practices. Therefore, the proposed resolution would result in no additional costs to the City.
- Recommendation:** Amend the proposed resolution to add an 8280 Environmental Control Officer, not an 8240 Environmental Control Officer, and approve as amended.



Item 15 - File 12-92-21

**Item:** Resolution urging San Francisco's Legislative Advocate to urge San Francisco's State legislative delegation to introduce legislation directing the Municipal Court to transmit information to the Tax Collector of outstanding litter violations prior to the renewal of a business license.

**Description:** The Tax Collector issues and renews business licenses, while the Municipal Court collects penalties for business litter violations. According to the proposed resolution, the Municipal Court is not directed to report businesses who have outstanding litter violations to the Tax Collector, and therefore the Tax Collector has no record of such businesses. If the Tax Collector were furnished with such information, he could withhold renewal of a business license to businesses that have outstanding litter violations until the fines associated with those violations are paid, according to the proposed resolution.

**Comments:** 1. The penalty for violations of City litter laws, such as laws regarding dumping, sidewalk receptacles, and rubbish, is \$76. The penalty for a violation of the State Penal Code regarding litter is \$135. If a business owner is cited for violating litter laws but does not pay the bail, under the current system, a warrant is issued for that individual's arrest.

2. Mr. Gordon Park Li of the Municipal Court estimates that there are currently less than 100 outstanding litter violations. Mr. Park Li advises that the Municipal Court has never analyzed the percentage of litter violations that are collected, but reports that 69 percent of parking violations are typically collected.

3. To the extent that outstanding litter violations are collected, revenue to the City increases. However, the proposed resolution would not require the Tax Collector to withhold renewal of a business license until fines associated with those violations are paid, and no other legislation currently makes that requirement. According to Mr. Richard Sullivan of the Tax Collector's Office, the Tax Collector presently withholds a business license if a business has outstanding taxes or license fees, but does not withhold a business license if a business has outstanding fines. The proposed legislation would also not require that the Tax Collector withhold licenses to such businesses.

4. Mr. Park Li advises that the Municipal Court currently provides lists of individuals with over ten parking violations to the Department of Parking and Traffic at the request of the Department of Parking and Traffic. According to Mr. Park Li, the Board of Supervisors or the Tax Collector could request directly that the Municipal Court provide such information, without going through the State Legislature. Therefore, according to Mr. Park Li, instead of adopting legislation, the Board of Supervisors or the Tax Collector could direct that a letter be sent requesting that the Municipal Court routinely provide the Tax Collector with a list of businesses that have outstanding litter violations. Alternatively, the proposed legislation could be amended to request that the Municipal Court provide the Tax Collector with a list of businesses with outstanding litter violations, rather than urging the Legislative Advocate to urge the State Legislature to direct the Municipal Court to provide the Tax Collector with such a list.

5. According to Mr. Park Li, litter violations are currently not recorded by business name, but rather by the name of an individual. Mr. Park Li reports that if a cited individual does not pay the litter violation penalty, a warrant is issued for that person's arrest, and a business cannot be arrested. However, according to Mr. Park Li, if business licenses are withheld as a form of enforcement, instead of arrest, citations could be issued to businesses and records organized by business could be made available, without additional costs to the City. As noted above, there are currently estimated to be 100 outstanding litter violations. The portion of such violations that could have been issued to businesses instead of individuals is unknown at this time.

6. If sanctions, such as a requirement that businesses pay outstanding litter violations before receiving a license renewal, impelled businesses to pay outstanding litter violations, such businesses might be discouraged from littering. To the extent that businesses are discouraged from littering, the City would be cleaner.

7. In summary, the Board of Supervisors could direct that a letter be sent requesting that the Municipal Court routinely provide the Tax Collector with a list of businesses that have outstanding litter violations. Such a request would not require legislation. Alternatively, the proposed legislation could be amended to request that the Municipal Court provide the Tax Collector with a list of businesses with outstanding litter violations.

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**Recommendation:** Approval of the proposed resolution with consideration to the aforementioned amendment in Comment No. 7 above, is a policy matter for the Board of Supervisors.

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Item 16 - Files 26-92-1

**Items:**

Resolution urging the Chief Administrative Officer to urge the Director of the Department of Public Works to consider legislation to increase the penalty for street cleaning parking violations from \$15 to \$20.

**Description:**

Currently, streets are cleaned mechanically using vehicles equipped with hydraulically-powered brushes and vacuums. Such street sweeping occurs at regularly scheduled times, such as, for example, Tuesdays from noon to 2 pm. Vehicles which are parked on the street during a time designated for mechanical street cleaning are fined \$15 because the mechanical street cleaner is unable to clean areas where vehicles are parked. The proposed resolution would urge the Chief Administrative Officer to urge the Director of the Department of Public Works to consider legislation to increase the penalty for a street cleaning parking violation from \$15 to \$20.

**Comments:**

1. The Department of Public Works does not have the authority to increase the bail for a street cleaning parking violation. Rather, it is the Municipal Court that has the authority to increase the bail for a street cleaning parking violation.

2. The Department of Parking and Traffic recently surveyed bail amount for street cleaning parking violations in eight U.S. cities. The bail amount for street sweeping parking violations in these eight cities is as follows:

Pasadena	\$20
Sacramento	21
Alameda	22
Oakland	23
San Jose	26
Los Angeles	30
New York	35
Chicago	50

The current \$15 bail is 33 percent lower than the next lowest bail in the survey. If the bail were increased to \$20, as proposed, the new bail amount would still be among the lowest charged by the eight cities. Mr. Tim Johnson of the Department of Parking and Traffic advises that street cleaning bail amounts have not been increased in four years.

3. According to Mr. Johnson, the Department of Parking and Traffic has requested that the Municipal Court increase the amount of street cleaning parking violation penalty to \$23. Mr. Gordon Park-Li of the Municipal Court advises that the Municipal Court is anticipated to approve the Department of Parking and Traffic's request to increase such penalties by \$8, to \$23, of which \$2.50 is to go to a Courthouse Construction Special Fund and \$1 is to go to the State General Fund. Thus, the net increase to the General Fund is \$4.50 per penalty.

4. In FY 1990-91, 741,299 street cleaning parking citations were issued, according to the Department of Parking and Traffic. The Department of Parking and Traffic advises that in general, 69 percent of such violations are collected. Based on an increase of \$5 for 69 percent of 741,299 citations, an increase in bail of \$5 would result in a net increase to the General Fund of \$1.50 (because \$2.50 would go the Courthouse Construction Special Fund and \$1 would go to the State General Fund). Thus, \$767,245 in additional annual revenues to the City would accrue as a result of an increase in parking violation fines to \$20, less the revenue which would not be collected if the increased penalty would encourage individuals not to park illegally during mechanical street cleaning scheduled times.

As noted above, the penalty is anticipated to be increased to \$23, an \$8.00 increase of which \$2.50 is to go to the Courthouse Construction Special Fund, and \$1 is to go to the State General Fund, for a net increase to the General Fund of \$4.50. Based on the above assumptions, additional annual revenues of approximately \$2,301,733 would be collected, less the revenue which would not be collected if the increased penalty would encourage individuals not to park illegally during mechanical street cleaning scheduled times. An increase in the penalty for street cleaning parking violations might discourage individuals from parking in the street cleaning areas at the designated times. In that case, the mechanical street cleaner would be enabled to clean the streets more thoroughly in that area. To the extent that individuals are discouraged from parking in street cleaning areas at designated times, the streets would be cleaner.

5. The City has a policy of encouraging the use of public transportation. Since, according to the Mayor's Office, Municipal Railway fares are proposed to be increased in the Fiscal Year 1992-93 budget, the Board of Supervisors may wish to authorize an increase in parking violations in a commensurate amount so as not to encourage the use of private vehicles over public transportation. The proposed resolution would urge that the violation for street cleaning be increased by 33 percent, from \$15 to \$20. The increase to \$23 anticipated to be approved by the Municipal Court would represent a 53 percent increase.

6. According to Mr. John Roumbanis of the Department of Public Works, the DPW has already requested that the street cleaning penalty be increased from \$15 to \$20 by the Municipal Court, and that revenue from such an increase be designated for street cleaning activities. However, as noted above, the Department of Parking and Traffic has requested and the Municipal Court is anticipated to approve an increase in street cleaning parking violations to \$23. Any additional revenue collected because of increased fines would go to the General Fund.

**Recommendation:**

Approval of the proposed resolution is a policy matter for the Board of Supervisors.





Item 17 - Files 26-92-2

**Items:** Resolution urging the Chief Administrative Officer to urge the Director of the Department of Public Works to increase the frequency of mechanical street sweeping in the designated downtown areas, and urging that the mechanical street sweeping program be expanded to include additional areas.

**Description:** According to the proposed resolution, the downtown areas of San Francisco are the most traveled and the most visible in the City. Some areas of downtown San Francisco are heavily affected by the impact of litter, according to the proposed resolution, and increasing the frequency of mechanical street sweeping would clean the streets and create an atmosphere generally more conducive to commerce and more pleasing to the eye. Also, according to the proposed resolution, some residential areas of San Francisco are not currently being serviced by mechanical street sweeping. The proposed resolution would urge the Chief Administrative Officer to urge the Director of the Department of Public Works to increase the frequency of mechanical street sweeping in the designated downtown areas by submitting a proposal for additional days, streets and hours to the Board of Supervisors for approval, and would further urge that the mechanical street sweeping program be expanded to include additional areas.

**Comments:** 1. Mr. John Busher of the Department of Public Works (DPW) advises that the DPW is empowered to alter the frequency and routes of mechanical street sweeping without approval of the Board of Supervisors. Therefore, the DPW is requesting that the proposed resolution be amended to delete lines five and six of page two of the proposed resolution urging the Director of the Department of Public Works to submit a proposal for additional days, streets and hours to the Board of Supervisors for approval. If the proposed resolution were amended in such a manner, the proposed resolution would still urge the Department of Public Works to increase the frequency of mechanical street sweeping in the designated downtown areas, and urge that the mechanical street sweeping program be expanded to include additional areas.

2. Mr. John Roumbanis of the Department of Public Works (DPW) advises that the DPW is in accord with the proposed resolution. The DPW requested \$140,989 in

its 1992-93 budget for the purpose of increasing mechanical street sweeping to daily cleaning in designated downtown areas.

3. According to Mr. Roumbanis, the DPW has recently increased street sweeping in various other areas of San Francisco, including the entire length of Haight Street and Mission Street from 14th Street to Geneva Avenue.

**Recommendations:**

If the Board of Supervisors wishes to comply with the DPW's request, amend the proposed resolution to delete lines five and six of page two of the proposed resolution urging the Director of the Department of Public Works to submit a proposal for additional days, streets and hours to the Board of Supervisors for approval.

Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

Items 18 and 23 - Files 217-92-1 and 217-92-6

**Items:** Resolution urging the Chief Administrative Officer to institute a neighborhood outreach program to inform eligible groups of the Neighborhood Beautification Fund and to encourage them to apply for funding to purchase trashcans and steam-cleaning services. (File 217-92-1)

Resolution urging the Chief Administrative Officer to urge the Director of the Department of Public Works to double the number of trashcans on City streets. (File 217-92-6)

**Description:** According to the proposed resolution (File 217-92-1), an increase in the number of trashcans on the streets would reduce the amount of litter, and steam-cleaning is an effective method of reducing grime on sidewalks. The proposed resolution (File 217-92-6) would urge the Chief Administrative Officer to urge the Director of the Department of Public Works to double the number of trashcans on City streets.

According to Mr. John Roumbanis of the DPW, there are currently 2,500 public trashcans in the City, at a cost of \$300 each, including tax and delivery. Therefore, the cost of purchasing double the number of trashcans, or an additional 2,500 trashcans, would be \$750,000, (\$300 times 2,500). Mr. Roumbanis advises that the cost of maintaining the additional trash cans is estimated to be approximately \$375,000 annually. Thus, the total cost of the proposed resolution would be \$1,125,000, including a one-time cost of \$750,000 and an annual maintenance cost of \$375,000 (File 217-92-6).

Proposition D, which was approved by the voters in the June, 1990 election, established a Neighborhood Beautification and Graffiti Clean-Up Fund consisting of donated money and Payroll Expense Taxes so designated by employers. According to the Charter, the fund is intended to promote neighborhood beautification projects, including projects designed to improve the environmental quality of neighborhoods, and finance the clean-up of graffiti on public property. Non-profit neighborhood groups, community groups, and businesses may apply for grants from the Clean-Up Fund to institute neighborhood clean-up programs, including the purchase of trashcans and steam-cleaning services. The source of the monies deposited in the Clean-Up Fund are derived from donations and up to

one percent of Payroll Expense Taxes designated by employers. The current balance in the Clean-Up Fund is \$290,000. The proposed resolution would encourage neighborhood groups to apply for grants from the Clean-Up Fund to purchase litter receptacles and steam cleaners (File 217-92-1).

**Comments:**

1. According to Ms. Kim Fowler of the Neighborhood Beautification and Clean-Up Fund, this is the second year of the fund. Ms. Fowler advises that \$221,000 was granted to 25 organizations from the Clean-Up Fund in 1990-91. The Clean-Up Fund has \$290,000 available in its 1991-92 budget to make grants, and has received requests for funding for beautification projects totalling approximately \$1.5 million, Ms. Fowler advises. Funds for 1991-92 are entirely committed, Ms. Fowler reports. Funds will be distributed to the grantees in June 1992, for use in 1992-93. Grants have not yet been distributed because the first part of 1991-92 was spent in advertising the fund and providing information to applicants, receiving and reviewing applications, and making allocation decisions (File 217-92-1).

2. Ms. Fowler reports that the current outreach program consists of mailing letters to 300 community groups concerned with neighborhood beautification. This letter invites such organizations to workshops and informs them of the application deadline. Applications are mailed to organizations upon request. Past grantees automatically receive applications in the mail. The Clean-Up Fund conducts a workshop to help applicants through the application process. In addition, the Clean-Up Fund sends press releases and public service announcements to local newspapers and radio stations. Ms. Fowler appeared on two radio shows in 1991-92 to advertise the fund (File 217-92-1).

3. Ms. Fowler reports that Clean-Up Fund grants are not limited to the purchase of litter receptacles and steam cleaners. According to Ms. Fowler, funding requests include a broad range of proposed projects, such as the purchase of litter receptacles, rental of steam cleaning equipment, tree planting, hiring persons to clean up neighborhoods, and graffiti removal. In 1991-92, all requests for trash receptacles were funded (\$13,640). \$17,600 was awarded for steam cleaning equipment and services. (All but one request for steam cleaning equipment was funded, Ms. Fowler reports.)

4. Ms. Fowler advises that the Clean-Up Fund, which is under the jurisdiction of the Chief Administrative Officer is exploring the possibility of retaining ownership of equipment if grants are made for the purchase of equipment. If the Clean-Up Fund retains ownership of such equipment and an organization becomes defunct, the Clean-Up Fund would then be empowered to redistribute such equipment to another organization. According to Ms. Fowler, the 1991-92 applications contain no requests for major equipment. This year's purchase requests include requests for brooms, scoops, trash receptacles and garbage bags.

5. The intent of the author of the proposed resolutions is that no General Fund monies will be expended to implement the proposed programs.

**Recommendations:**

Approval of the proposed resolution, which would result in a cost to the General Fund of \$1,125,000, including a one-time cost of \$750,000 and an annual cost of \$375,000, is a policy matter for the Board of Supervisors (File 217-92-6).

Approval of the proposed resolution to urge the Chief Administrative Officer to institute a neighborhood outreach program to inform eligible groups of the Neighborhood Beautification and Graffiti Clean-Up Fund and to encourage them to apply for funding to purchase trashcans and steam cleaning services is a policy matter for the Board of Supervisors (File 217-92-2).





Item 19 - File 217-92-2

**Item:** Resolution urging the Chief Administrative Officer to develop a component within the City's Recycling Program that would provide reusable bags to renters for the purpose of collecting and depositing recyclable materials, and urging that such provision be supported by a public/private partnership.

**Description:** The proposed resolution concerns the provision of reusable bags to renters for the purpose of collecting and depositing recyclable materials, and urging that such provision be supported by a public/private partnership. Currently, residents in rental buildings containing six or more apartment units do not receive individual recycling receptacles, but instead must bring their recyclables to a central location in the building. According to the proposed resolution, recycling has contributed to a reduction of bottles and cans on the streets in recent years.

The proposed resolution is designed to encourage apartment dwellers to recycle by urging the Chief Administrative Officer to develop a component within the City's recycling program that would provide reusable bags to each unit in apartment buildings. Tenants would then have a means to transport recycling from their units to their building's centralized recycling area.

**Comments:** 1. Ms. Amy Perlmutter of the San Francisco Recycling Program advises that it is difficult for the Recycling Program to specifically target outreach to apartment dwellers, since there is no separate mailing list that separates apartment dwellers from other San Francisco residents. Ms. Perlmutter advises that contacts with apartment dwellers are generally made through the individual who pays the garbage bill. No landlords have been approached regarding distributing reusable recycling bags to their tenants. According to Ms. Perlmutter, apartment dwellers participate as actively in the Recycling Program as the general population of San Francisco.

2. Ms. Perlmutter reports that individuals who live in apartment buildings sometimes collect their recycling in discardable plastic bags, then dispose of the plastic bag with the cans and bottles in the centralized recycling bin. According to Ms. Perlmutter, such plastic bags are not recycled in San Francisco and cause problems in the

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recycling system. Ms. Perlmutter advises that providing reusable bags for recycling might discourage apartment dwellers from discarding non-recyclable plastic bags in the recycling bins, because tenants who would use recyclable bags provided by the City could retain their bags rather than discarding them with their bottles and cans.

3. The proposed legislation does not specify the type of reusable recycling bags that would be provided, such as plastic, cloth, rubber or paper. Ms. Perlmutter advises that the Recycling Program has not previously considered providing reusable recycling bags for apartment dwellers. However, Ms. Perlmutter advises, buckets were considered at one point. Therefore, the Recycling Program has not yet developed cost estimates or estimated the number of such bags that would be needed at this time.

4. As of the writing of this report, no specific information was available regarding the type of private/public partnership that might support reusable recycling bags.

**Recommendation:**

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 20 - File 217-92-3

**Item:** Resolution urging the Chief Administrative Officer to urge the Director of Public Works to implement cleaning of the United Nations Plaza and Hallidie Plaza on weekends and holidays that fall on weekdays.

**Description:** United Nations Plaza, located at Market Street and Leavenworth Street, and Hallidie Plaza, located at the underground Powell Street Station for the Municipal Railway, are cleaned every day except Saturdays, Sundays, and holidays. The proposed resolution would urge the Chief Administrative Officer to urge the Director of Public Works to implement cleaning of the United Nations Plaza and Hallidie Plaza on Saturdays, Sundays and holidays.

**Comments:** 1. Mr. John Roumbanis of the Department of Public Works advises that United Nations Plaza and Hallidie Plaza are particularly in need of consistent cleaning. According to Mr. Roumbanis, a number of homeless persons spend time in these plazas, but the plazas contain no public restrooms. As a result, the areas become dirty quickly, Mr. Roumbanis reports.

2. The Department of Public Works has requested \$25,000 to be included in its fiscal year 1992-93 budget for the purpose of cleaning, particularly steam-cleaning, the United Nations and Hallidie Plazas, Mr. Roumbanis reports.

3. Mr. Roumbanis advises that the DPW recently negotiated with the unions to allow mechanical street sweeper operators to work on Saturdays without receiving overtime pay, as long as Saturdays are included in such an employee's regular weekly shift. The DPW estimates that to implement cleaning of the United Nations and Hallidie Plazas on Saturdays, Sundays and holidays would cost \$264,602 annually, including overtime and all other costs.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.





Item 21 - File 217-92-4

**Item:** The proposed resolution would urge the Mayor to urge the Chief of Police to enforce provisions of the California Vehicle Code that require vehicles transporting certain materials to be covered to prevent the material from spilling or falling from the vehicle.

**Description:** According to the proposed resolution, Section 23115 of the California Vehicle Code requires a vehicle loaded with garbage, swill, cans, bottles, wastepapers, ashes, refuse, trash or rubbish, or any other noisome, nauseous, or offensive matter, or anything being transported to a dump site for disposal to be moved with a covering in a manner which prevents the load from spilling or falling from the vehicle. The bail schedule of the Municipal Court establishes a fine in the amount of \$82 for the violation of Section 23115.

**Comments:** 1. Mr. Dennis Martel of the Police Department advises that, although the Police Department does enforce Section 23115 of the State Vehicle Code, the primary mission of the Police Department's Code enforcement is to focus on traffic violations that may cause injury accidents. If the proposed resolution were approved, Mr. Martel reports that the Police Department would sensitize Police Officers to violations of the Code requiring vehicles transporting certain materials to be covered. Officers would be reminded that these violations can impact quality of life in neighborhoods, and that they are expected to enforce the Code if they observe violations.

2. According to Mr. Martel, approval of the proposed resolution would result in no measurable increase in costs, because no additional personnel would be hired to carry out the proposed resolution. To the extent that additional citations are issued and fines are collected, some additional revenues may result, although the number of citations and the amount of revenues, if any, cannot be determined at this time.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

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Item 22 - File 217-92-5

**Item:** Resolution urging the Mayor and the Chief Administrative Officer to develop a coordinated public education campaign which encourages merchants and residents to keep the streets clean and inform the public about anti-littering laws and penalties.

**Description:** According to the proposed resolution, many merchants and City residents are unaware of laws regarding litter disposal. For example, many merchants believe that litter may be swept into the street at any time, when in fact litter may only be swept into the street one hour before street sweeping times. The proposed resolution urges the Mayor and the Chief Administrative Officer to develop a coordinated public education campaign which encourages merchants and residents to keep the streets clean and informs the public about anti-littering laws and penalties.

**Comment:** As of the writing of this report, no information was available as to what type of coordinated education campaign should be implemented. Therefore, the Budget Analyst is unable to determine the cost of such a program.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

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Item 24 - File 217-92-7

**Item:** Resolution urging the Chief Administrative Officer to consider introducing legislation that would limit the hours that recycling bins may be left on the sidewalk.

**Description:** The proposed resolution would urge the Chief Administrative Officer to consider introducing legislation that would limit the hours that recycling bins may be left on the sidewalk. According to the proposed resolution, violation of laws prohibiting removal of the contents of recycling containers by unauthorized persons results in fastened debris being unfastened and blown onto the public sidewalk and street areas. This leads to increased litter on the streets. Allowing recycling bins to be placed on City sidewalks only on the morning of collection would eliminate the possibility for persons to remove the contents of recycling bins during the night, and considerably reduce the amount of litter on City streets, according to the proposed resolution.

**Comments:** 1. Mr. John Roumbanis of the Department of Public Works confirms that the recycling program has led to an increase in litter on the City streets.

2. Ms. Amy Perlmutter of the Recycling Program advises that every piece of literature produced by the Recycling Program requests that recyclers place their recycling bins on the sidewalk the morning of pick-up instead of the preceding evening, except in those cases where pick-up occurs before seven in the morning. However, Ms. Perlmutter advises that no law requires that recyclers place their bins out in the morning rather than in the evening.

Specific restrictions regarding the hours that recycling bins may be left on the sidewalk, such as enforcement and penalties for violation of such a law, could be included in legislation. However, as of the writing of this report, the specific details have not been provided. Without such information, the costs of this program cannot be estimated.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

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Item 25 - File 217-92-8

- Item:** Resolution urging the Department of Public Works to consider introducing legislation increasing the fine for illegal dumping of refuse from \$52 to \$500.
- Description:** According to the proposed resolution, the dumping of furniture, home appliances, potentially toxic substances, and other materials (1) creates an eyesore as well as potential health risks for residents and visitors to San Francisco; (2) exhibits a disregard for our natural environment and for proper disposal methods; and (3) poses health risks. The proposed resolution would urge the Department of Public Works to consider introducing legislation increasing the fine for illegal dumping of refuse from \$52 to \$500.
- Comments:**
1. According to Mr. John Busher of the Department of Public Works (DPW), the fine for illegal dumping of refuse is currently between \$100 and \$1,000. However, Mr. Busher advises, the bail for such violations is \$52. Since the bail for violations is lower than the fine, persons who are cited for illegal dumping violations typically forfeit their bail rather than appearing before a judge to be fined, Mr. Busher reports. Since fines are set by the Municipal Court, which hears illegal dumping cases, the DPW does not have the authority to increase such fines.
  2. If the intent of the proposed resolution is to increase the bail for illegal dumping rather than to increase the fine for illegal dumping, then the proposed resolution should be directed to the Municipal Court, instead of the DPW since DPW does not have the authority to increase bail amounts for illegal dumping. If the intent of the proposed resolution is to increase the bail for illegal dumping, the proposed legislation should be amended to urge the Municipal Court to increase the bail for illegal dumping, instead of urging the DPW to increase the fine for illegal dumping.
  3. Mr. John Roumbanis of the DPW reports that in February 1992, DPW recommended to the Municipal Court that the bail for illegal dumping be increased from \$52 to \$500.

- Recommendations:**
1. If the intention of the proposed resolution is to increase the bail rather than the fine for illegal dumping, the proposed legislation should be amended to urge the Municipal Court to increase the bail for illegal dumping, instead of urging the DPW to increase the fine for illegal dumping.
  2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 26 - File 217-92-9

**Item:** Resolution urging the Department of Public Works to direct its resources so as to reduce litter in neighborhoods that are most affected.

**Description:** According to the proposed resolution, some neighborhoods, including but not limited to the Mission, Chinatown, South of Market and Downtown, are particularly affected by the sharp increase in the amount of litter on San Francisco's streets. The proposed resolution would urge the Department of Public Works to direct its resources so as to reduce litter in neighborhoods that are most affected.

**Comments:** 1. Mr. John Roumbanis of the DPW advises that the DPW is presently targeting neighborhoods most affected by litter. For example, Mr. Roumbanis advises that three new workfare crews of ten workers each have been created as of April 1992. These new workfare crews have been placed: (1) in the Tenderloin; (2) in the South of Market area to clean alleys; (3) in the area bounded by Mission and Valencia Streets and 18th and Division Streets to clean alleys. The cost of these new workfare programs is 41¢ per worker per hour for workers compensation costs, which are to be paid from the Department of Social Services' budget. Based on three new crews of ten persons each working six days per week, seven hours per shift at 41¢ per hour, the estimated cost to the City for these new workfare workers is approximately \$517 per week.

2. In April 1992, the DPW also implemented increased mechanical flushing on the entire length of Haight Street from Market to Stanyan, and on Mission Street to Geneva Avenue. The frequency of this mechanical flushing is three times per week, Mr. Roumbanis advises. Previously, there was no mechanical flushing in these areas. This new mechanical flushing program is anticipated to result in no added costs to the City, Mr. Roumbanis advises, since work crews have been reorganized to accommodate the new program.

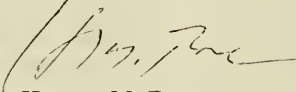
3. The DPW has also implemented seven day per week mechanical street cleaning using a controlled parking program on both sides of Mission Street from 14th Street to Army Street, as of May 16, 1992. This new mechanical street cleaning program will include holidays, Mr. Roumbanis reports. This new mechanical street cleaning program is anticipated to result in no added costs to the City, Mr. Roumbanis advises, since work crews have been reorganized

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Memo to Finance Committee  
May 27, 1992

to accommodate the new program. The penalty for street cleaning parking violations is currently \$15; to the extent that additional vehicles are cited, the new mechanical street cleaning program could result in additional revenues to the City.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



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CORRECTED

SEE ITEM 12

CALENDAR - *Actions Taken*

DOCUMENTS DEPT.

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

JUN 8 1992  
SAN FRANCISCO  
PUBLIC LIBRARY

WEDNESDAY, JUNE 3, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

ABSENT: SUPERVISOR GONZALEZ - ITEMS 8 - 12, 14,  
AND 17 - 24

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
  - a. File 57-91-2.3. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer/Solid Waste Management Program, in the amount of \$10,000, for graphic design services to develop promotional materials such as poster, signs, flyers, brochures and booklets to promote various recycling program (Maria Wang Design Studio and Vinh Chung Graphic Design, contractors). (Chief Administrative Officer)
  - b. File 146-91-83.2. [Release of Funds] Requesting release of reserved funds, Department of Public Health/AIDS Office, in the amount of \$25,665, for AIDS/HIV prevention and education services to Latino Gay/Bisexual Community (Community United in Response to AIDS/SUDA (CURAS). (Department of Public Health)
  - c. File 101-90-124.2. [Release of Funds] Requesting release of reserved funds, Recreation and Park Department, in the amount of \$519,200, for construction of the McLaren Park Lake Edge Improvements. (Recreation and Park Department)
  - d. File 101-88-117.4. [Release of Funds] Requesting release of reserved funds, Parking Authority, in the amount of \$680,000, to supplement funds to purchase the property located at 735-755 Vallejo Street, pay the title, escrow fees and pay relocation costs of the present tenants. (Parking Authority)

- e. File 146-92-33. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Epidemiology and Disease Control, Sexually Transmitted Disease Control, to apply for a grant of \$650,705, which includes indirect costs in the amount of \$12,210 based on twenty percent of salaries from the Centers for Disease Control, for a research study to evaluate HIV counseling models for the residents of the San Francisco. (Department of Public Health)
- f. File 146-92-34. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Epidemiology and Disease Control, Sexually Transmitted Disease Control, to apply for a grant of \$420,858, which includes indirect costs in the amount of \$27,750 based on twenty percent of salaries from the Centers for Disease Control, for a research study to provide community based sexually transmitted disease services. (Department of Public Health)

ACTION: Consent Calendar recommended.

### REGULAR CALENDAR

2. File 94-91-4.3. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount of \$65,000, for Municipal Railway Contract No. MR-1039-R, Curtis E. Green Light Rail Facility, Geneva Site, Maintenance Building, Paint Booth Fans Modification. (Public Utilities Commission)  
(Cont'd from 5/27/92)

ACTION: Continued to Call of the Chair.

3. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)  
(Cont'd from 5/27/92)

ACTION: Hearing held. Continued to June 10, 1992, meeting.

4. File 101-90-84.3. [Release of Funds] Requesting release of reserved funds, Fire Department – 1986 Fire Protection System Improvement Bonds – Series 1991B, in the amount \$3,756,500, for the construction of new cisterns in the Richmond/Sunset/Marina Districts; companion measure to File 101-90-84, Ordinance 156-91. (Fire Department)

ACTION: Hearing held. Release of \$3,240,871 recommended. Filed.

5. File 51-91-4. Transmitting claims of employees, various departments for reimbursement for personal property damaged and/or stolen in the line of duty. (Various)

October, November, December 1991

ACTION: Hearing held. Claim of Nemesio Maquilan restored to \$931.46 and recommended as amended. Remainder of claims recommended as shown on list dated May 6, 1992. Resolution (as prepared by Controller amended in Committee to reflect payment for Nemesio Maquilan) entitled "Authorizing reimbursement for cost of personal property of City and County employees damaged/stolen in the line of duty" prepared in and reported out of Committee. Recommended. (Total amount \$3,118.18.)

6. File 51-92-1. Transmitting claims of employees, various departments for reimbursement for personal property damaged and/or stolen in the line of duty. (Various)

January, February, March 1992

ACTION: Hearing held. Resolution prepared in and reported out of Committee entitled "Authorizing reimbursement for cost of personal property of City and County employees damaged/stolen in the line of duty." Recommended. (Total amount \$47,242.74)

7. File 64-92-8. [Lease of Property] Resolution authorizing renewals and extensions of certain existing leases of real property required by the Department of Public Health and Sheriff. (Real Estate Department)

ACTION: Amended. (See file for details.) Recommended as amended.

8. File 101-91-67. [Government Funding] Ordinance appropriating \$12,662,437, Public Health, Laguna Honda Hospital and San Francisco General Hospital, for various purposes, rescinding \$55,000 from permanent salaries-miscellaneous, \$41,258 from professional services, \$214,123 from medical services contract. RO #91228 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$12,662,437, Public Health, Laguna Honda Hospital and San Francisco General Hospital, for various purposes, rescinding \$55,000 from permanent salaries-miscellaneous, \$41,258 from professional services, \$214,123 from medical services contract; providing for ratification of action previously taken."

9. File 101-91-68. [Government Funding] Ordinance appropriating \$184,000, Police Department, for medical services. RO #91230 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$184,000, Police Department, for medical services; providing for ratification of action previously taken."

10. File 101-91-69. [Government Funding] Ordinance appropriating \$5,888,460, Retirement System, various departments, for services of other departments – Workers Compensation, reducing \$27,338 from permanent salaries. RO #91231 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$5,842,618, Retirement System, various departments, for services of other departments – Workers Compensation, reducing \$15,551 from permanent salaries; providing for ratification of action previously taken."

11. File 101-91-70. [Government Funding] Ordinance appropriating \$509,000, Sheriff Department, for materials and supplies; releasing reserve of \$101,301 from permanent salaries. RO #91232 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$458,817, Sheriff's Department, for materials and supplies."

12. File 101-91-71. [Government Funding] Ordinance appropriating \$943,616, Department Public Health, for permanent salaries-miscellaneous, mandatory fringe benefits, professional services, medical services contracts and EDP service – EIPSC and Prop J/CSC. RO #91233 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$943,616, Department Public Health, for permanent salaries-miscellaneous, mandatory fringe benefits, professional services, medical services contracts and EDP service – EIPSC and Prop J/CSC; placing \$280,000 on reserve; providing for ratification of action previously taken." (Supervisor Hsieh to replace Controller as sponsor.)

13. File 101-91-73. [Government Funding] Ordinance appropriating \$44,573, Juvenile Probation, for professional services. RO #91235 (Controller)

ACTION: Continued to the Call of the Chair.

14. File 27-92-2. [Airport – Lease Modifications] Ordinance approving Modification No. 5 lease and use agreement between USAIR, Inc., and City and County of San Francisco acting by and through its Airports Commission. (Airports Commission)

ACTION: Recommended.

15. File 62-92-2. [Japanese Tea Garden Gift Shop and Tea House Lease] Ordinance approving a ten-year lease with Frederick Lo and Peter Fong, a partnership, for establishing and operating a gift shop and tea house concession at the Japanese Tea Garden in Golden Gate Park, San Francisco, California. (Recreation and Park Department)

ACTION: Recommended.

16. File 64-92-7. [Extension of Lease] Resolution authorizing extension of month-to-month rental agreement and lease of real property required by the Public Utilities Commission at 100 McAllister Street from the University of California, Hastings College of Law. (Real Estate Department)

ACTION: Continued to June 10, 1992, meeting.

17. File 97-92-31. [Fees Increase – County Clerk] Ordinance amending Administrative Code by adding Section 8.33, authorizing the County Clerk to increase fees otherwise set by State Law to reflect the actual cost of providing certain records and services. (Superior Court)

ACTION: Recommended.

18. File 198-92-1. [Conservatorship Investigation Fees] Resolution increasing assessments for investigations in conservatorship cases as provided in Probate Code Section 1851.5 from \$210 to \$384. (Superior Court)

ACTION: Continued to June 10, 1992, meeting.

19. File 168-92-1. [Park and Open Space Fund] Resolution concurring with general recommendations on the Park and Open Space Fund for Fiscal Year 1992-93, reserving approval or disapproval on specific acquisitions. (Recreation and Park Commission)

ACTION: Recommended.

20. File 245-92-1. [Employees' Salary-Waiver/Gift Fund] Ordinance creating and authorizing expenditure of monies in Employees' Salary-Waiver/Gift Fund providing for nondisclosure of identity of donors and findings. (Supervisors Shelley, Migden)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Creating and authorizing expenditure of monies in Employees' Salary Gift Fund and providing for nondisclosure of identity of donors and findings."

21. File 121-92-2. [Tobacco Advertising] Ordinance amending the San Francisco Administrative Code by amending Chapter 23 thereof by adding Section 4.20 to prohibit advertising of tobacco products on City-owned property; companion to measure 121-92-2.1. (Supervisors Alioto, Shelley)

(Transferred from City Services Committee 5/5/92 - Fiscal Impact)

ACTION: Recommended.

22. File 121-92-2.1. [Cigarette and Tobacco Advertising] Resolution urging Mayor to request all City boards, commissions and departments to request individuals and entities currently enjoying advertising rights on City property to stop advertising cigarettes and tobacco products and to renegotiate leases, permits and agreements to ban advertising of tobacco and cigarette products; companion to measure 121-92-2. (Supervisor Alioto)

(Transferred from City Services Committee 5/5/92 - Fiscal Impact)

ACTION: Recommended.



23. File 170-92-4. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: to provide loans or grants for the seismic strengthening of unreinforced masonry buildings for affordable housing and market-rate residential and commercial purposes; that the estimated cost of three hundred-fifty million dollars (\$350,000,000) for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness: provided, however, that no more than forty-five million dollars (\$45,000,000) of said authorization shall be sold in any one fiscal year. (Supervisor Hsieh)

ACTION: Hearing held. Amended of the Whole, as presented by Supervisor Hsieh, adopted. Continued to June 10, 1992, meeting. (Add Supervisor Gonzalez as co-sponsor.) New title: "Determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: to provide loans or grants for the seismic strengthening of unreinforced masonry buildings for affordable housing and market-rate residential and commercial purposes; that the estimated cost of three hundred-fifty million dollars (\$350,000,000) for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness: providing, that no more than thirty-five million dollars (\$35,000,000) of said authorization shall be sold in any one fiscal year; authorizing carry over of authorized indebtedness to subsequent fiscal years."

24. File 246-92-1. Hearing to consider the creation of a Special Assessment District to finance the seismic retrofit of unreinforced masonry buildings. (Supervisor Migden)

ACTION: Hearing held. Filed.

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CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

June 1, 1992

TO: Finance Committee  
FROM: Budget Analyst *Recommendations*  
SUBJECT: June 3, 1992 Finance Committee Meeting

DOCUMENTS SECT.

JUN 3 1992

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Item 1a - File 57-91-2.3

**Department:** Chief Administrative Officer (CAO),  
Solid Waste Management Program

**Item:** Release of reserved funds for Graphic Design services to develop promotional materials for various recycling programs (Maria Wang Design Studio and Vinh Chung Graphic Design).

**Amount:** \$10,000

**Source of Funds:** Refuse Impound Account

**Description:** The Board of Supervisors previously placed on reserve \$30,000 for Graphic Design Services pending submission by the Solid Waste Management Program of the names of the contractors, budgets and MBE/WBE status, (File 57-91-2). In September 1991, \$20,000 of the \$30,000 reserved funds was released for the development of posters, signs, flyers, brochures and booklets to promote the various recycling programs. The remaining \$10,000 was kept on reserve for future graphic design needs.

The Solid Waste Management Program has selected the design firms of Maria Wang Design Studio, and Vinh Chung Graphic Design for their current graphic design needs. Maria Wang Design Studio would design and

produce direct mail pieces and brochures to highlight and publicize consumer and business guides on correct recycling practices. Vinh Chung Graphic Design would illustrate and produce curbside and school recycling follow-up information pieces responding to certain problems which have arisen in the program, such as residents mixing non-recyclable materials, like plastic, with recyclable materials. Maria Wang Design Studio and Vinh Chung Graphic Design studio were selected because their previous work for the Department effectively represented the program's specifications, and because the proposed project would be a continuation of work in progress.

**Budget:**

Maria Wang Design Studios

	<u>Rate</u>	<u>Hours</u>	<u>Total</u>
Principal/Designer	\$50.00	20hr	\$1,000
Associate Designer	\$50.00	24hrs	1,200
Production Artist	\$40.00	60hrs	2,400
Computer Production	\$40.00	60hrs	<u>2,400</u>
Subtotal			\$7,000

Vinh Chung Graphic Design

	<u>Rate</u>	<u>Hours</u>	<u>Total</u>
Design	\$50.00	10hrs	\$500
Translation	\$25.00	20hrs	500
Typesetting	\$50.00	30hrs	1,500
Illustration	\$55.00	9hrs	<u>495</u>
Subtotal			<u>\$2,995</u>

Total \$9,995

**Comments:**

1. Both Maria Wang Design Studios and Vinh Chung Graphic Design Studios are certified MBE firms.
2. The budget total was rounded up by \$5, from \$9,995 to \$10,000.

**Recommendation:**

Approve the proposed release of reserve.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Item 1b - File 146-91-83.2

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Release of reserved funds for AIDS/HIV Prevention and Education to the Latino Gay/Bisexual community (Community United in Response to AIDS/SIDA). SIDA, the Síndrome Inmuno Deficiencia Adquirida, is the Spanish acronym for AIDS.

**Amount :** \$25,665

**Source of Funds:** U.S. Department of Health and Human Services  
Centers for Disease Control (CDC)

**Description:** In December 1991, the Board of Supervisors authorized DPH to accept and expend a one year continuation grant of \$6,099,135 which included indirect costs based on 20 percent of personnel costs, (File 146-91-83). These funds were to support an array of AIDS prevention programs, such as health education and risk reduction, early intervention, and partner notification and referral.

Of the total \$6,099,135 grant, \$449,069 was reserved pending the selection of contractors and information regarding hours, rates and the MBE/WBE status of the contractors. Of the \$449,069 reserved, \$25,665 was reserved for Prevention and Education for the Latino Gay and Bisexual Community, which is the subject of the proposed request.

The AIDS Office selected the contractor, Community United in Response to AIDS/SIDA (CURAS) under a Request for Proposal (RFP) process. CURAS was one of two respondents and was selected because of their overall viability to perform the necessary service. CURAS will provide AIDS/HIV prevention and education to Gay and Bisexual Latino men.

<b>Budget:</b>	<u>Personnel</u>	<u>FTEs</u>	
	Executive Director	0.11	\$3,300
	Office Manager	0.11	2,420
	Counseling Coordinator	0.11	2,860
	Education Coordinator	0.11	2,860
	Outreach Coordinator	0.11	2,860
	Bookkeeper	0.11	2,640
	Subtotal		\$16,940
	Fringe Benefits @ 23%		3,896
	Total Personnel	0.66	\$20,836

BOARD OF SUPERVISORS  
BUDGET ANALYST

Operating Expenditures

Insurance	\$389	
Property Rental	542	
Stipend provided for client participation	250	
Audit Fees	272	
Telephone	<u>525</u>	
Total Operating Expenditures		\$1,978

Materials and Supplies

Office Supplies	277	
Postage	188	
Printing and Reproduction	272	
Meeting Supplies	45	
Material Development	<u>832</u>	
Total Material and Supplies		1,614

Training

Staff Training		347
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Travel

Staff Travel -local	105	
Educational Events	478	
Conference	<u>307</u>	
Total Travel		<u>890</u>

TOTAL Project Budget \$25,665

**Comment:**

1. CURAS is a non-profit organization. The contract with CURAS would extend for six months from July 1, 1992 through December 31, 1992.
2. CURAS will provide the following AIDS/HIV prevention and education services to Gay/Bisexual Latino men:

Peer Education	45 contacts
Outreach	232 contacts
Counseling	269 contacts

**Recommendation:** Approve the proposed release of reserve.



Item 1c - File 101-90-124.2

**Department:** Recreation and Park Department

**Item:** Release of reserved fund for the construction of the McLaren Park Lake Edge Improvements.

**Amount :** \$ 519,200

**Source of Funds:** Proceeds from the 1987 Park Improvement Bonds.

**Description:** On June 24, 1991, the Board of Supervisors approved an appropriation of \$7,648,988 for park rehabilitation projects through the 1987 Park Improvement Bond measure (Ordinance #256-91). The Finance Committee placed \$5,248,650 of this appropriation on reserve pending information on the identified contractors and their MBE/WBE status.

The Recreation and Park Department is now requesting the release of \$519,200 to proceed with the awarding of the contract for the McLaren Park Lake Edge Improvements. The proposed funds would support the modification of the reservoir for recreational use: by reducing the slope of the reservoir's sides, landscaping, installing picnic tables (\$380,000), the construction of a wheelchair ramp from the parking lot to the lake side (\$25,000), installation of chain link fencing (\$15,000), and sealing the reservoir's bottom (\$52,000). The request also includes a ten percent construction contingency fund (\$47,200).

Bids were received from the following firms:

<u>Name of Firm</u>	<u>Bid Amount</u>	<u>MBE/WBE/LBE</u>
Bauman Landscaping	\$516,591	None
Golden Bay/A. Nakano	\$481,975	MBE/LBE
Inter-Coastal	\$571,032	MBE/LBE
San Luis Construction	\$472,000	MBE/LBE

According to Ms. Deborah Learner of the Recreation and Park Department, San Luis Construction was selected based on their lowest overall construction bid of \$472,000.

**Comments:** 1. According to Ms. Learner, currently the reservoir is inaccessible to the public. The proposed project would allow the reservoir to be used by the public for recreational purposes. The slope of the sides of the reservoir would be reduced, landscaping and trails would be installed and

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

picnic tables would be provided. The project would also make the reservoir wheelchair accessible.

2. The proposed construction will require the reservoir to be drained. According to Ms. Learner, because of the need to use heavy earthmoving equipment, there is a probability that the current bottom seal would be damaged. Resealing the reservoir during this project will remove the possibility of having to re-drain the reservoir and fix any damage that came to light after the reservoir was refilled. Sealing the bottom of McLaren Park Lake will also reduce the loss of water, slow the accumulation of aquatic plants and reduce the amount of work required during the periodic cleaning of the reservoir.

3. Construction would begin once the contract has been certified by the Controller's Office and a Notice To Proceed (NTP) has been issued. According to Ms. Learner, construction must be completed within 120 days of the issuance of the NTP.

**Recommendation:** Approve the proposed release of reserve.

Item 1d - File 101-88-117.4

**Department:** Department of Parking and Traffic, Parking Authority

**Item:** Release of reserve to purchase property at 735 - 755 Vallejo Street, and pay the title, escrow fees and relocation costs of the present tenants.

**Amount:** \$680,000

**Source of Funds:** Off-Street Parking Fund

**Description:** The Board of Supervisors previously approved a Supplemental Appropriation Ordinance (File 101-88-117) totalling \$5,000,000 to enable the Parking Authority to purchase property at 735-755 Vallejo Street to be used to construct a parking facility to serve the parking needs of the North Chinatown and North Beach commercial districts. At the same time, the Board of Supervisors placed \$4,950,000 of the \$5,000,000 on reserve pending an agreement of the owner to sell the Vallejo Street property to the City or pending the outcome of any condemnation proceedings. The remaining \$50,000 was made available for soil and toxic analysis of the property site. In September of 1990, the Finance Committee approved the release of \$3,950,000 of the \$4,950,000, which had been placed on reserve, leaving a balance of \$1,000,000 on reserve (File 101-88-117.2). The \$3,950,000 represented the fair market value of the property at 735-755 Vallejo Street as determined by an independent appraiser retained by the Real Estate Department. The Parking Authority requested the release of the \$3,950,000 in order to deposit that sum with the Clerk of the Superior Court. The deposit was required prior to the Court granting an Order of Immediate Possession to permit the City to take possession of the property. Subsequently, the Parking Authority was able to negotiate an agreement for the sale of the property in an amount of \$4,645,000 with the property owner.

The Parking Authority is now requesting the release of \$680,000 to supplement funds to purchase the property (\$645,000), pay the title and escrow fees (\$15,000) and pay relocation costs of the present tenant at 735-750 Vallejo Street (\$20,000). The Parking Authority reports the following expenditures for the acquisition of this property:

Purchase Agreement	\$4,645,000
Title and Escrow Fees	15,000
Tenant Relocation Costs	<u>20,000</u>
Subtotal	\$4,680,000
Less: Funding Previously Appropriated and Released	<u>(\$4,000,000)</u>
Balance Needed	\$680,000

**Comments:**

1. The 735-755 Vallejo Street site currently contains a two-level parking facility. According to the Parking Authority, the intended parking facility will consist of a seven-level structure of approximately 100,000 square feet capable of accommodating 300 vehicles and with 10,000 to 13,000 square feet of ground floor retail space or community use to be operated by the Parking Authority. The existing two-level parking structure would be demolished.
2. The \$5 million appropriated for the purchase of this property is for acquisition and related costs only. The Parking Authority estimates construction costs for the project to be approximately \$8 million including design costs. The project would require approximately three years to complete including the design phase. The construction and related costs would be financed by the sale of Parking Authority lease revenues bonds.
3. Mr. Kevin Hagerty, Director of the Parking Authority, estimates that the \$1 million in revenues would be sufficient to pay for 80 to 90 percent of the debt service on the bonds. The remaining 10 to 20% needed is anticipated to be financed from Off-Street Parking Funds.
4. Mr. Hagerty advises that the Off-Street Parking Fund currently has a balance of \$1,622,050. However, Mr. Hagerty states that the Department has recently submitted three separate supplemental appropriation requests to the Mayor's Office totalling \$1,622,050 which would lease the Off-Street Parking Fund with a zero balance. The \$1,622,050 is to be expended for: (1) \$159,800 for management fees for the 735-755 Vallejo Street parking facility, (2) \$1,062,250 for hazardous waste removal, demolition and other costs associated with the construction of the San Francisco General Hospital (SFGH) Garage and (3) \$400,000 for the relocation of MUNI from the SFGH Garage site. These pending supplementals will be reviewed in detail by the Budget Analyst when they are submitted to the Board of Supervisors.

5. Mr. Hagerty reports that the balance of the Off-Street Parking Fund had been \$5,622,050, prior to the transfer of \$4,000,000 to be used to offset the City's 1991-92 budget deficit.

**Recommendation:** Approve the proposed release of reserve funds in the amount of \$680,000.





Item 1e - File 146-92-33

**Department:** Department of Public Health (DPH),  
Community Public Health Services, Epidemiology and  
Disease Control,  
Sexually Transmitted Disease (STD) Control Division

**Item:** Resolution authorizing the Department of Public Health to  
apply for a grant of \$650,705, which includes indirect costs in  
the amount of \$12,210, based on 20 percent of salaries, from  
the Centers for Disease Control for a research study to  
evaluate HIV counseling models for the residents of San  
Francisco.

**Grant Amount:** \$650,705

**Grant Period:** September 30, 1992 to September 29, 1993

**Source of Funds:** Centers for Disease Control (CDC)

**Project:** STD Research - Current Versus Enhanced HIV Counseling

**Description:** The Board of Supervisors approved a resolution (File 146-91-  
70) in September, 1991 to authorize the DPH to apply for,  
accept and expend a new grant of \$560,641, including indirect  
costs of \$11,000, based on 20 percent of personnel costs, from  
the CDC for a research project to evaluate HIV counseling  
models, and to authorize the expenditure of grant funds to  
establish and finance Civil Service positions for the provision  
of HIV risk reduction services. This \$560,641 represented  
funding for the first phase of a five-year program from the  
CDC.

The primary goal of the five-year program is to evaluate the  
effectiveness of an enhanced counseling model through  
studies conducted among sexually transmitted disease (STD)  
clinic clients.

During the first phase of the project, funding was used to  
hire and train staff, negotiate a contract between the DPH  
and the University of California, San Francisco, and pilot test  
one behavioral intervention model with STD Clinic clients.

The proposed grant (marking the beginning of the second  
phase of the study, which is expected to last a total of four  
years) will be used to fund additional pilot testing of several  
other behavioral intervention models with STD Clinic clients;  
to make a final determination of the particular behavioral  
intervention model which will be used with patients seen in a

STD Clinic and to compare their behavior changes with patients seen in a STD Clinic who receive a standard single session HIV counseling session; and to fund pilot testing of the behavioral intervention model that is chosen. San Francisco is one of five sites to implement this two-phased study, and San Francisco's portion of the study is expected to involve one site (the San Francisco City Clinic) and approximately 400 STD clients during the grant period of September 30, 1992 to September 29, 1993.

The proposed grant represents the second year of a five year project period, and funds throughout the five year period will be used to support personnel salaries, operating expenses and a sole source contract with the University of California, San Francisco (UCSF). If grant funds expire, the DPH will have to terminate these UCSF staff positions.

Only current recipients of STD Prevention and Training Center funds (of which the City's STD Control Division is one) are eligible to apply for this particular grant. Of the proposed grant of \$650,705, a total of \$500,000 will be spent on contractual services with UCSF, which is required by the CDC as a condition for receiving the proposed grant. A total of two Civil Service personnel positions (1450 Executive Secretary and 2802 Epidemiologist I) will be created and funded by the proposed grant. If grant funds expire, these Civil Service positions will be terminated.

**Required Match:** None

**Indirect Costs:** \$12,210, or 20 percent of salaries

**Comments:**

1. Ms. Wendy Wolf of the DPH reports that if these funds are not received, the result would be the end of the research project.
2. Ms. Wolf reports that at the time of this writing, the budget for the project is not available, but that a budget will be provided when the DPH requests the Finance Committee's authorization to accept and expend the grant funds.
3. The DPH advises that the STD Control Division did not learn of the availability of grant funds until May 1, 1992. Therefore, the DPH is requesting that the proposed resolution be expedited, since the DPH's grant application is due on June 12, 1992 and if the Finance Committee does not approve the proposed resolution on June 3, 1992, the Board of

Supervisors will not be able to approve the grant application before the application deadline.

The DPH indicates that the DPH intends to submit a proposed resolution to the Board of Supervisors to accept and expend the proposed grant at a later date, at which time, as previously noted, a detailed budget will be presented.

4. The Grant Application Information Form, as prepared by the DPH, is attached.

5. The DPH has completed a Disability Access Checklist, which is in the file.

6. As previously noted, the prior year's grant was funded in the amount of \$560,641. This proposed request of \$650,705 represents an increase of \$90,064, or approximately a 16.1 percent increase.

**Recommendation:** Approve the proposed resolution.

## GRANT APPLICATION INFORMATION FORM

To: The Board of Supervisors  
Attn: Clerk of the Board

Date 5/18/92

Request for authorization to submit a grant application as described below:

1. Department: Public Health, CPHS, Epidemiology and Disease Control, STD Control

2. Contact

Person: Wendy wolf/864-8100

3. Project

Title: STD Research - Current Versus Enhanced HIV Counseling

4. Grant

Source: Centers for Disease Control

5. Proposed (~~New~~ / Continuation) Grant Project Summary:

The purpose of this grant is to design, develop, pilot and implement enhanced HIV counseling models with patients seen in an STD Clinic and compare their behavior change with patients seen in the STD Clinic who receive a standard single session HIV counseling session.

Eligible applicants are the current recipients of STD Prevention and Training Center Funds.

This is the second year of a five year project period, and funds will be used to support personnel salaries, operating expenses and a contract with the University of California, San Francisco.

Activities included in this project year will include development and pilot testing of a number of behavioral interventions to enhance current HIV post-test counseling; administration of an agreed upon behavioral interventions, and meeting with the funder at various stages of the project to discuss problems and progress.

6. Amount of Grant Funding Applied

For: \$650,705.00

7. Maximum Funding Amount Available Per Individual

Grant: \$700,000.00

8. Required Matching

Funds: None

9. Number of Positions Created and

Funded: 2

10. Amount to be Spent on Contractual

Services: \$500,000.00

11. Will Contractual Services Be Put Out To

Bid? No. The funder has required that we contract with UCSF.

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Item 1f - File 146-92-34

**Department:** Department of Public Health (DPH),  
Community Public Health Services, Epidemiology and  
Disease Control,  
Sexually Transmitted Disease (STD) Control Division

**Item:** Resolution authorizing the Department of Public Health to  
apply for a grant of \$420,858, which includes indirect costs in  
the amount of \$27,750, based on 20 percent of salaries, from  
the Centers for Disease Control for a research study to  
provide community based sexually transmitted disease  
services.

**Grant Amount:** \$420,858

**Grant Period:** September 28, 1992 to September 27, 1993

**Source of Funds:** Centers for Disease Control (CDC)

**Project:** Community-Based Sexually Transmitted Disease Services  
Research Project

**Description:** The Board of Supervisors previously approved a resolution  
(File 146-91-47) which authorized the Department of Public  
Health to apply for, accept and expend a continuation of a  
Federal grant of \$382,598, including indirect costs of \$24,682  
based on 20 percent of salaries. This continuation of a grant  
was used to fund alternative, community-based sexually  
transmitted disease services and the establishment and  
financing of Civil Service positions to provide such services.  
The DPH actually received a grant amount of \$361,209 to  
provide these services, which constituted the second year of a  
three-year grant from the CDC.

A CDC grant of \$185,230 was provided in the first year of the  
project and was used for hiring staff, negotiating contracts  
and beginning to provide STD clinical services and outreach  
to San Francisco communities with very high rates of STDs.  
The second year grant of \$361,209 focused primarily on  
providing community-based STD clinical services and  
outreach as well as evaluating the use of alternative  
providers as compared to the San Francisco City Clinic and  
San Francisco General Hospital's Emergency Room. The  
purpose of the proposed grant of \$420,858 is to continue to  
provide convenient, accessible and culturally sensitive  
sexually transmitted disease services in a community-based  
setting.

The proposed grant represents the third and final year of the three-year grant from the CDC, and funds will be used to support personnel salaries, operating expenses and contracts with two community-based agencies to fund the salaries of community health outreach workers.

Of the proposed grant of \$420,858, approximately \$200,000 will be spent on contractual services. As of the writing of this report, the DPH intends to continue to contract with Glide Memorial United Methodist Church and the Bayview Hunters Point Foundation for three Community Health Outreach Workers and two part-time data entry workers for the final year of the project. The DPH advises that services were bid out two years ago through a competitive bid process. In addition, a total of three City personnel positions will be created and funded by the proposed grant (a Physician's Assistant and an Assistant Health Educator to coordinate and supervise the Community Health Outreach Workers and a Disease Control Investigator).

**Required Match:** None

**Indirect Costs:** \$27,750, or 20 percent of salaries

- Comments:**
1. Ms. Wendy Wolf of the DPH reports at the time of this writing, no fiscal year 1992-93 budget for the project is available, but that it will be provided when the DPH requests the Finance Committee's authorization to accept and expend the grant funds.
  2. Ms. Wolf reports that the proposed funds are needed to continue to fund the above-mentioned positions and the two community-based STD clinics located at Glide Memorial United Methodist Church and at the Southeast Health Center. At the time of this writing, the DPH has been exploring, but has not determined what other funding sources may be available to continue this demonstration project after CDC discontinues funding after fiscal year 1992-93.
  3. The DPH advises that the STD Control Division did not learn of the availability of these grant funds until May 1, 1992. Therefore, the DPH is requesting that the proposed resolution be expedited, since the DPH's grant application is due on June 12, 1992 and if the Finance Committee does not approve the proposed resolution on June 3, 1992, the Board of Supervisors will not be able to approve the grant application

before the application deadline. As noted above, the DPH indicates that the DPH intends to submit a proposed resolution to the Board of Supervisors to accept and expend the proposed grant at a later date, at which time a detailed budget will be provided.

4. Attached is the Grant Application Information Form, as prepared by the DPH.

5. The DPH has completed a Disability Access Checklist, which is in the file.

6. As previously noted, the prior year's grant was funded in the amount of \$361,209. This proposed request of \$420,858 represents an increase of \$59,649, or approximately a 16.5 percent increase.

**Recommendation:** Approve the proposed resolution.

## GRANT APPLICATION INFORMATION FORM

To: The Board of Supervisors  
Attn: Clerk of the Board

Date 5/18/92

Request for authorization to submit a grant application as described below:

1. Department: Public Health, CPHS, Epidemiology and Disease Control, STD Control

2. Contact

Person: Wendy Wolf/864-8100

3. Project

Title: Community-Based Sexually Transmitted Disease Services Research Project

4. Grant

Source: Centers for Disease Control

5. Proposed (New / Continuation) Grant Project Summary:

The purpose of the grant is to provide convenient, accessible and culturally sensitive sexually transmitted disease services in a community-based setting.

This is the third year of a three year project, and funds will be used to support personnel salaries, operating expenses and contracts with two community-based agencies to fund community health outreach workers.

Activities included in the last year of the Project will include community outreach, community-based provision of STD services, and meetings with the funder to report on problems and progress.

6. Amount of Grant Funding Applied

For: \$420,858

7. Maximum Funding Amount Available Per Individual

Grant: \$450,000

8. Required Matching

Funds: None

9. Number of Positions Created and

Funded: 3

10. Amount to be Spent on Contractual

Services: \$200,000

11. Will Contractual Services Be Put Out To

Bid? Services were bid out 2 years ago, and we will be contracting with the same agencies for the final year of the project.

3619j

1992

Item 2 - File 94-91-4.3

**Note:** This item was continued by the Finance Committee at its meeting of May 27, 1992.

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Request for release of a budgetary reserve of 1991-92 Federal Transit Administration Section 9 Capital Funds, including \$51,598 in Federal funds and \$13,402 in local matching funds for a total of \$65,000 for Municipal Railway Contract No. MR-1039-R, Curtis E. Green Light Rail Facility, Geneva Site, Maintenance Building, Paint Booth Fans Modification.

**Comment:** The Department has requested that the proposed item be continued to the call of the Chair.

**Recommendation:** Continue the proposed release of reserve to the call of the Chair.





Item 3 - File 100-92-3

**Note:** This item was continued by the Finance Committee at its meeting of May 27, 1992.

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both.

According to Mr. Ted Lakey of the City Attorney's Office, the California State Constitution requires that the City and County of San Francisco adopt a balanced budget each year. The City's Charter, Section 6.203 states that not later than June first of each year, the Mayor shall transmit to the Board of Supervisors the consolidated budget estimates for all departments and the proposed budget for the City and County for the ensuing fiscal year, including a detailed estimate of all revenues for each department and an estimate of the amount required to meet bond interest, redemption and other fixed charges of the City and County and the applicable revenues. At the same time, the Mayor is also required to submit to the Board of Supervisors a draft of the Annual Appropriation Ordinance for the ensuing fiscal year, which is prepared by the Controller.

According to Mr. Burk Delventhal of the City Attorney's Office, the Mayor is required to submit a balanced budget to the Board of Supervisors. Mr. Delventhal acknowledges however that the Mayor's proposed budget may include anticipated revenues that have yet to be adopted by the Board of Supervisors. For example, during the fiscal year 1991-92 budget, the Mayor submitted a proposed budget that included increases in the City's parking tax from 20 to 25 percent and increases in the MUNI Fast Pass, the projected revenues from which would balance the proposed expenditures. The Board of Supervisors had not yet adopted these revenue measures as of June, 1991 when the Mayor submitted his recommended budget to the Board of Supervisors.

In preparation for an anticipated shortfall in the 1992-93 budget, Ms. Teresa Serata of the Mayor's Office reports that initially the Mayor's Office requested that each department submit a reduced 10 percent proposed budget for fiscal year 1992-93. However, given the \$139.2 to \$148.2 million shortfall projected, the Mayor's Office requested that each department and commission review and resubmit their proposed 1992-93 budgets to the Mayor's Office, to include an additional 8 percent reduction. Because many of the departments under the Chief Administrative Officer (CAO) are so small, the Mayor's Office requested an additional collective 8 percent reduction from all of the CAO's departments, rather than individually. In addition, specific reductions of \$20 million each from the Municipal Railway (MUNI) and the Health Department were requested in lieu of an additional 8 percent reduction.

According to Ms. Serata, in addition to expenditure reductions, departments were encouraged by the Mayor's Office to include additional potential revenues that could be used to offset the additional 8 percent reduction.

On June 1, 1992, the Mayor presented the fiscal year 1992-93 budget to the Board of Supervisors. The Budget Analyst is currently reviewing all of the expenditures and revenues contained in the Mayor's 1992-93 budget. As part of this budget review, the Budget Analyst will provide recommendations for reductions or changes to the fiscal year 1992-93 budget. In addition, the Budget Analyst will describe any service and program reductions, identify any fee or tax increases and the corresponding projected revenues to be generated, specifying those fees or taxes that require the Board of Supervisors approval and highlight any expenditures that may be underfunded. The Finance Committee's budget hearings are scheduled for June 16 through June 25, 1992. The Interim Appropriation Ordinance and the Interim Salary Ordinance are scheduled to be heard by the Finance Committee on June 10, 1992.

Item 4 - File 101-90-84.3

**Department:** Fire Department  
Department of Public Works, Bureau of Engineering

**Item:** Release of reserved funds for the construction of new cisterns in the Richmond/Sunset/Marina Districts.

**Amount :** \$3,756,500

**Source of Funds:** 1986 Fire Protection System Improvement Bonds

**Description:** In November, 1986, City voters approved the issuance of Fire Prevention System Improvement Bonds (Proposition A). Funds from the bond sale in the amount of \$46,200,000 are to be used for the improvement of the City's fire protection system.

In April, 1991, the Board of Supervisors approved the Fire Department's \$15,200,000 supplemental appropriation from the 1986 bond funds for capital improvement projects (File 101-90-84) and placed on reserve \$13,506,943 for the purchase, installation and improvements to the City's high pressure water system, including improvements to pump stations, tanks and reservoirs, pending determination of contract amounts and MBE/WBE status. Of the \$13,506,943 in reserve, \$5,170,000 was earmarked for cistern installations.

The Fire Department is now requesting a release of \$3,240,871 (rather than the original amount of \$3,756,500 requested) for the construction of new cisterns in the Richmond, Sunset and Marina districts of the City. The DPW's estimated budget for the cistern construction project is as follows:

Construction Contract	\$2,823,470
Construction Contingency (10%)	282,000
Archaeological Monitoring During Construction	80,811
Building Damage Monitoring During Construction	54,590
Project Total	\$3,240,871

**Comments:**

1. Mr. Bob Jew of the DPW reports that the amount requested to be released for this Richmond, Sunset and Marina District cistern construction project should be \$3,240,871 rather than \$3,756,500 as reflected in the original request for release of these funds. Mr. Jew advises that the construction contract was awarded to A. Ruiz Construction Co. & Associates and Ranger Pipelines, Inc. on May 27, 1992. The \$3,240,871 is based on the actual construction contract bid, in addition to the other expenses noted above. Therefore, the proposed release of reserve amount should be reduced to \$3,240,871.

2. Ms. Linda Chin of the Human Rights Commission advises that A. Ruiz Construction Co. & Associates and Ranger Pipelines, Inc. constitute a joint venture. A. Ruiz Construction Co. is a City-certified MBE/LBE firm and Ranger Pipelines is neither a MBE nor WBE firm. Ms. Chin advises that A. Ruiz Construction Co. will perform 41 percent or \$1,167,919 of the \$2,823,470 construction contract, Ranger Pipelines will perform 38 percent or \$1,068,551 of the construction contract, and that 21 percent or \$587,000 of the construction contract will be performed by subcontractors.

3. Mr. Jew estimates that the cistern construction contract will be completed by August, 1993 and reports that the Fire Department and the DPW will be requesting another release of funds in four to five months for another cistern construction project in the Marina, Sunset and Richmond districts.

**Recommendation:** Reduce the proposed release of reserve of \$3,756,500 by \$515,629 to \$3,240,871. Continue to reserve the \$515,629.



Item 5 - File 51-91-4

This item transmits the claims of various City employees for reimbursement for personal property damaged and/or stolen in the line of duty. The attached report lists the Controller's recommended reimbursements of 13 warrants to 13 City employees, at a total cost of \$2,186.72.

Section 10.25.1 of the San Francisco Administrative Code Authorizes the Controller to provide reimbursement to City employees to recover part or all of the cost of replacing or repairing equipment or property which has been damaged or destroyed in the line of duty without the fault of the City employees. The Controller recommends reimbursement after reviewing the claims submitted, and after reviewing the Department Head's certification to the Controller that the damage occurred in the line of duty and that the amounts requested for payment are fair and reasonable.

Attached is a listing of the claims and the Controller's comments. These claims are for the period October through December 1991.

Comment

The Controller's Office has certified that funds are available for these employee reimbursements. The source of funds would be Claims and Judgments, General Fund.

Recommendation

Prepare in and report out of Committee a resolution approving the requested reimbursements totaling \$2,186.72.

Date: MAY 6, 1992

## REIMBURSEMENT FOR DAMAGED OR STOLEN PERSONAL PROPERTY OF CITY EMPLOYEES

<u>Department Claimant</u>	<u>Amount Claimed</u>	<u>Amount Recommended</u>	<u>Controllers Comments</u>
<u>Public Works</u>			
Richard Skaff	392.05	-0-	Battery charger personal equipment
Gina Meritt	80.00	-0-	Stolen person property.
Robert Mason	35.00	35.00	Wearing appar damaged through fault of employee jobsite.
David Moore	62.35	62.35	Wearing appar damaged through fault of employee jobsite.
<u>District Attorney</u>			
Joan Bennett	150.00	150.00	Wearing appar damaged through fault of employee jobsite.
Philip David Wool	43.50	43.50	Wearing appar damaged through fault of employee jobsite.
<u>Social Services</u>			
Jill Keeler	69.87	49.87	Theft occurred the course of norma work duties.
Ronald Brown	590.00	170.00	Theft occurred the course of wor duties bu possibility o contributor negligence

S.F.General Hospital

Edgar Pierluissi	250.00	250.00 ✓	Equipment required for job stolen from worksite.
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War Memorial

James Hamilton	375.00	375.00 ✓	Wearing apparel required for job stolen from jobsite.
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John Bott	1083.00	575.00 ✓	Wearing apparel required for job stolen from jobsite. No reimbursement for personal items not required for job.
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Juvenile Court

Jacob Davis	90.00	90.00 .	Damaged apparel damaged in performance of job duties.
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Jose Alardo	151.00	151.00 .	Damaged glasses sustained in performance of job duties.
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County Clerk

Cristine Bautista	588.77	-0-	Personal items stolen. Not required for work.
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Chief Administrative Officer

Bradford T. Engle	165.00	165.00 ✓	Damaged wearing apparel caused by City equipment on jobsite.
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Police

Christine Curran	70.00	70.00 ,	Damaged wearing apparel caused by
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City equipment  
jobsite.

Purchasing

Nemesio Maquilan

931.46

-0-

MOU requir  
inventory of too  
be on file bef  
loss clai  
Inventory dat  
after loss. Deny

Item 6 - File 51-92-1

This item transmits the claims of various City employees for reimbursement for personal property damaged and/or stolen in the line of duty. The attached report lists the Controller's recommended reimbursements of 18 warrants, at a total cost of \$47,242.74.

Section 10.25.1 of the San Francisco Administrative Code Authorizes the Controller to provide reimbursement to City employees to recover part or all of the cost of replacing or repairing equipment or property which has been damaged or destroyed in the line of duty without the fault of the City employees. The Controller recommends reimbursement after reviewing the claim submitted, and after reviewing the Department Head's certification to the Controller that the damage occurred in the line of duty and that the amounts requested for payment are fair and reasonable.

Attached is a listing of the claims and the Controller's comments. These claims are for the three month period, January through March, 1992.

Comments

1. The Controller's Office has certified that funds are available for these employee reimbursements. The source of funds would be Claims and Judgments, General Fund.
2. According to Mr. John Madden of the Controller's Office, the claims by Mr. Frank Barnes, Mr. Arthur Hickey, Mr. Richard A. Grove, and Mr. Ronald L. Micely, totaling \$47,507.12 are for tools stolen from a Water Department shop. Under the current Memorandum of Understanding (MOU) between the City and the Automotive Machinists Union, Local 1305, the City is required to indemnify an employee for tools that are damaged by fire or stolen while the tools are properly on City property or being used by the employee in the course of City business.

Recommendation

Prepare in and report out of Committee a resolution approving the requested reimbursement of \$47,242.74



File No. 51-92-1

Date: MAY 11, 1992

## REIMBURSEMENT FOR DAMAGED OR STOLEN PERSONAL PROPERTY OF CITY EMPLOYEES

<u>Department</u> <u>Claimant</u>	<u>Amount</u> <u>Claimed</u>	<u>Amount</u> <u>Recommended</u>	<u>Controllers</u> <u>Comments</u>
<u>Public Works</u>			
David E. Moore	62.35	62.35	Damaged wear apparel caused City equipment jobsite.
William Rainey	125.00	-0-	Personal item stol from City car.
<u>Water Department</u>			
Frank Barnes (2 claims)	5182.79 13,828.00	5182.79 13,828.00	MOU requires replacement by Cit
Arthur Hickey (2 claims)	7552.96 8996.37	7552.96 8996.37	MOU requires replacement by Cit
Richard A. Grove (2 claims)	1610.46 3494.96	1610.46 3494.96	MOU requires replacement by Cit
Ronald L. Micely (2 claims)	2738.83 2102.75	2738.83 2102.75	MOU requires replacement by Cit
<u>Laguna Honda Hospital</u>			
Al Horton	43.00	43.00	Damage occurred jobsite.
<u>S.F. General Hospital</u>			
Anna Pollack	442.00	442.00	S t o l e Oto/opthalmoscop job related item occurred at jobsit

Stuart Zangwill	140.00	140.00	Job related items stolen from jobsite.
<u>Public Health Central Office</u>			
Betty Gee	42.60	-0-	Safety regulations not followed. Deny.
Dorlee M. Chavéz	152.00	-0-	Personal items. No evidence of City responsibility.
Brian Louie	30.00	-0-	Personal item damaged. No evidence o f C i t y responsibility.
Carla Hightower	45.00	-0-	Personal items. No evidence of City responsibility.
Dorlane C. Miller	165.00	165.00	Job related items stolen from jobsite.
Lena Vinson	60.00	-0-	Personal items. No evidence of City responsibility.
Marcella Holzman	209.55	-0-	M i l e a g e reimbursement covers operating costs.
<u>Juvenile Court</u>			
Jacob Davis	50.00	50.00	Damaged wearing apparel caused by City equipment at jobsite.
Michael Thurman	39.00	39.00	Damaged personal property sustained in course of job duties.
<u>Municipal Railway</u>			
Mark Sangervasi	601.84	601.84	MOU requires City reimburse lost tools.

Police

Mercedes N. Lacanglacang	89.00	89.00	Wearing apparel damaged at work; through no fault of employee.
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Recreation & Park

Rick Allan Chin	109.29	-0-	Department head does not recommend payment.
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Adaline Rich Rogers	84.13	-0-	Department head does not recommend payment.
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Arlene El-Yousef	400.00	-0-	Department head does not recommend payment.
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Laurent Garnett	103.43	103.43	Wearing apparel stolen from jobsite.
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Assessor

Kan Shen	500.00	-0-	Auto damage not shown to be City responsibility.
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Item 7 - File 64-92-8

**Departments:** Real Estate  
Department of Public Health (DPH), Community Mental  
Health Services (CMHS)  
Sheriff

**Item:** Resolution authorizing the extension of 18 leases (leases 1 through 18) and the execution of two lease renewals (leases 19 and 20) of real property required by the Department of Public Health and the Sheriff.

**Each of the proposed leases is summarized below:**

(1) **Location:** 759 South Van Ness Avenue (entire second floor)

**Purpose of Lease:** Childrens' Outpatient Mental Health Clinic (CMHS)

**Lessor:** AIM Two

**No. of Sq. Ft. and Cost/Month:** 6,445 sq. ft. @ \$0.83/sq. ft./mo. = \$5,349.19 rent/month

**Annual Cost:** \$64,190

**% Increase over 1991-92:** 6%

**Utilities and Janitor Provided by Lessor:** Janitorial Only

**Term of Lease:** July 1, 1992 - June 30, 1993

**Right of Renewal:** 5 one-year option periods remain

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(2) **Location:** 615 Grant Avenue (entire second floor)

**Purpose of Lease:** Chinatown Child Development Center Outpatient Mental Health Clinic (CMHS)

**Lessor:** Patrick Leung and Esther Leung

**No. of Sq. Ft. and Cost/Month:** 3,815 sq. ft. @ \$1.07/sq. ft./mo. = \$4,094.72 rent/month

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Annual Cost:** \$49,137

**% Increase over  
1991-92:** 5.4%

**Utilities and Janitor  
Provided by Lessor:** Janitorial only

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 3 one-year options remain.

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(3) **Location:** 615 Grant Avenue (entire fifth floor)

**Purpose of Lease:** Chinatown Child Development Center (CMHS)

**Lessor:** Sinclair Louie, May C. Louie and 718 California Street Corp.

**No. of Sq. Ft. and  
Cost/Month:** 4,100 sq. ft. @ \$1.35/sq. ft./mo. = \$5,528 rent/month

**Annual Cost:** \$66,336

**% Increase over  
1991-92:** 6%

**Utilities and Janitor  
Provided by Lessor:** No

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 1 one-year option remains.

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(4) **Location:** 298 Monterey Boulevard

**Purpose of Lease:** Outpatient Mental Health Clinic (CMHS)

**Lessor:** John W. Powell and Sylvia C. Powell

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**No. of Sq. Ft. and  
Cost/Month:** 4,025 sq. ft. @ \$0.65/sq. ft./mo. = \$2,610.89 rent/month

**Annual Cost:** \$31,331

**% Increase over  
1991-92:** 5%

**Utilities and Janitor  
Provided by Lessor:** Janitorial only

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 1 one-year option remains

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(5) **Location:** 2335 - 39 Ocean Avenue

**Purpose of Lease:** Outpatient Mental Health Center (CMHS)

**Lessor:** Beverly M. Pelton

**No. of Sq. Ft. and  
Cost/Month:** 3,954 sq. ft. @ \$0.73/sq. ft./mo. = \$2,872.42 rent/month

**Annual Cost:** \$34,469

**% Increase over  
1991-92:** None

**Utilities and Janitor  
Provided by Lessor:** Janitorial only

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 1 one-year option remains

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(6) **Location:** 2001 Van Ness Avenue (entire third floor) and 1700 Jackson Street

**Purpose of Lease:** Special Problems Clinic (CMHS)

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Lessor:** Asadoor O. Astorian and Josyane L. Astorian

**No. of Sq. Ft. and Cost/Month:** 9,718 sq. ft. @ \$2.41/sq. ft./mo. = \$23,434.78 rent/month

**Annual Cost:** \$281,217

**% Increase over 1991-92:** 5%

**Utilities and Janitor Provided by Lessor:** No

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 1 one-year option remains

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(7) **Location:** 444 - 6th Street

**Purpose of Lease:** Community Substance Abuse Services (CMHS) and Prisoner Services Program (Sheriff's Department)

**Lessor:** Bramval Company

**No. of Sq. Ft. and Cost/Month:** 5,156 sq. ft. @ \$0.81/sq. ft./mo. = \$4,185 rent/month

<b>Annual Cost:</b>	DPH	\$25,110
	Sheriff	<u>25,110</u>
	Total	\$50,220

**% Increase over 1991-92:** 4%

**Utilities and Janitor Provided by Lessor:** Janitorial only

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 1 one-year option period remains

**Source of Funds:** 100% General Fund for DPH's share and 100% General Fund for Sheriff Department's share.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comment:** Half of the premises at 444-6th Street are leased by the Public Health Department's Community Substance Abuse Services and the other half by the Sheriff's Department, Prisoner Services Program.

\*\*\*\*\*

8) **Location:** 3901 and 3905 Mission Street, 200 and 226 College Avenue

**Purpose of Lease:** Geriatric Outpatient Mental Health Clinic (CMHS)

**Lessor:** Giovacchino Diodati and Armando Diodati

**No. of Sq. Ft. and Cost/Month:** 2,570 sq.ft. @ \$1.13/sq. ft./mo. = \$2,900.18 rent/month

**Annual Cost:** \$34,802

**% Increase over 1991-92:** None

**Utilities and Janitor Provided by Lessor:** Janitorial only

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 2 one-year option periods remain

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(9) **Location:** 3911 Mission Street

**Purpose of Lease:** Geriatric Outpatient Mental Health Clinic (CMHS)

**Lessor:** Giovacchino Diodati and Armando Diodati

**No. of Sq. Ft. and Cost/Month:** 1,500 sq. ft. @ \$0.93/sq. ft./mo. = \$1,400.84 base rent/month

Base Rent	\$1,400.84
Water Reimbursement	20.01
Janitorial Allowance	<u>192.72</u>
Total Rent	\$1,613.57

**Annual Cost:** \$19,363

BOARD OF SUPERVISORS  
BUDGET ANALYST

**% Increase over  
1991-92:** 4.9%

**Utilities and Janitor  
Provided by Lessor:** Janitorial and water

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 2 one-year option periods remain

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(10) **Location:** 1182 Market Street (Room 204)

**Purpose of Lease:** Administrative Offices for DPH's Eldercare Program

**Lessor:** Shorenstein Company

**No. of Sq. Ft. and  
Cost/Month:** 2,019 sq. ft. @ \$0.96/sq. ft./mo. = \$1,930 rent/month

**Annual Cost:** \$23,160

**% Increase over  
1991-92:** None

**Utilities and Janitor  
Provided by Lessor:** Yes

**Term of Lease:** Month-to-Month beginning July 1, 1992

**Right of Renewal:** This space has only been offered on a month-to-month lease basis commencing July 1, 1992, for a period not to exceed one year, because the lessor wishes to maximize its options. However, there is no rental increase.

**Source of Funds:** 100% General Fund

\*\*\*\*\*

(11) **Location:** 1182 Market Street (Suite 320)

**Purpose of Lease:** Senior Information Referral and Health Promotions Program (Commission on Aging)

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comment:** The Real Estate Department reports that the above noted lease was included in the proposed legislation erroneously.

\*\*\*\*\*

(12) **Location:** 755 - 61 South Van Ness Avenue

**Purpose of Lease:** Outpatient Mental Health Clinic (CMHS)

**Lessor:** AIM Two

**No. of Sq. Ft. and Cost/Month:** 7,101 sq. ft. @ \$0.76/sq. ft./mo. = \$5,411 rent/month

**Annual Cost:** \$64,932

**% Increase over 1991-92:** 5%

**Utilities and Janitor Provided by Lessor:** No

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 3 one-year option periods remain.

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(13) **Location:** 10 - 29th Street

**Purpose of Lease:** Outpatient Mental Health Clinic (CMHS)

**Lessor:** George and Lois Maisels and Lawrence and Frances Maisels

**No. of Sq. Ft. and Cost/Month:** 1,750 sq. ft. @ \$0.78/sq. ft./mo. = \$1,367.57 rent/month

**Annual Cost:** \$16,411

**% Increase over 1991-92:** 5.3%

**Utilities and Janitor Provided by Lessor:** Janitorial only

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Term of Lease:** Month-to-month commencing July 1, 1992.

**Right of Renewal:** DPH has opted for a month-to-month lease because the Department is seeking a new site in order to consolidate clinic services.

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(14) **Location:** 615 Grant Avenue (portion of 3rd floor)

**Purpose of Lease:** Outpatient Mental Health Clinic (CMHS)

**Lessor:** Patrick and Esther Leung

**No. of Sq. Ft. and Cost/Month:** 3,815 sq. ft. @ \$1.09/sq. ft./mo. = \$4,177.23 base rent/month

**Annual Cost:** \$50,127

**% Increase over 1991-92:** 4.3%

**Utilities and Janitor Provided by Lessor:** Janitorial only

**Term of Lease:** Month-to-month commencing July 1, 1992

**Right of Renewal:** DPH has opted for a month-to-month lease because the Department is seeking a new site in order to consolidate clinic services.

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(15) **Location:** 615 Grant Avenue (entire 4th floor)

**Purpose of Lease:** Outpatient Mental Health Clinic (CMHS)

**Lessor:** Patrick and Esther Leung

**No. of Sq. Ft. and Cost/Month:** 4,165 sq. ft. @ \$0.98/sq. ft./mo. = \$4,067.12 rent/month

**Annual Cost:** \$48,805

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**% Increase over  
1991-92:** 5%

**Utilities and Janitor  
Provided by Lessor:** No

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 3 one-year option periods remain

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(16) **Location:** 471 Jessie Street (ground floor)

**Purpose of Lease:** Substitute Payee Program (CMHS and Public Administrator/Guardian, DPH will continue to pay the rent)

**Lessor:** Susan McAllister Moxon

**No. of Sq. Ft. and  
Cost/Month:** 1,500 sq. ft. @ \$1.00/sq. ft./mo. = \$1,500 base rent/month  
Base Rent \$1,500.00  
Janitorial Allowance 222.60  
Total Rent \$1,722.60

**Annual Cost:** \$20,671

**% Increase over  
1991-92:** None

**Utilities and Janitor  
Provided by Lessor:** Janitorial only.

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 3 one-year option periods remain

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(17) **Location:** 471 Jessie Street (second and third floors)

**Purpose of Lease:** Outpatient Mental Health Clinic(CMHS)

**Lessor:** Susan McAllister Moxon

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**No. of Sq. Ft. and  
Cost/Month:** 2,824 sq. ft. @ \$0.85/sq. ft./mo. = \$2,400 base rent/month  
Base Rent \$2,400.00  
Janitorial 480.90  
Total \$2,880.90

**Annual Cost:** \$34,571

**% Increase over  
1991-92:** None

**Utilities and Janitor  
Provided by Lessor:** Janitorial only

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 3 one-year option periods remain

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(18) **Location:** 4190 - Mission Street (ground floor)

**Purpose of Lease:** Outpatient Mental Health Clinic (CMHS)

**Lessor:** Servidores De Jesus, Inc.

**No. of Sq. Ft. and  
Cost/Month:** 3,600 sq. ft. @ \$0.86/sq. ft./mo. = \$3,102.80 rent/month

**Annual Cost:** \$37,234

**% Increase over  
1991-92:** 6%

**Utilities and Janitor  
Provided by Lessor:** Janitorial only

**Term of Lease:** July 1, 1992 to June 30, 1993

**Right of Renewal:** 3 one-year option periods remain

**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(19) **Location:** 111 Potrero Avenue (portion of ground floor)  
**Purpose of Lease:** Outpatient Mental Health Clinic (CMHS)  
**Lessor:** 111 Potrero Partnership  
**No. of Sq. Ft. and Cost/Month:** 6,000 sq. ft. @ \$0.87/sq. ft./mo. = \$5,200 rent/month  
**Annual Cost:** \$62,400  
**% Decrease over 1991-92:** 1%  
**Utilities and Janitor Provided by Lessor:** Janitorial only  
**Term of Lease:** July 1, 1992 to June 30, 1993  
**Right of Renewal:** 4 one-year option periods  
**Source of Funds:** 55% State funds and 45% General Fund

\*\*\*\*\*

(20) **Location:** 1548 Stockton Street (entire building)  
**Purpose of Lease:** Outpatient Mental Health Clinic (CMHS)  
**Lessor:** Eugene Y.C. and Anita Tak Hing Choi  
**No. of Sq. Ft. and Cost/Month:** 4,503 sq. ft. @ \$1.50/sq. ft./mo. = \$6,734 rent/month  
**Annual Cost:** \$80,808  
**% Decrease over 1991-92:** 14%  
**Utilities and Janitor Provided by Lessor:** Janitorial only  
**Term of Lease:** Month-to-month basis commencing July 1, 1992  
**Right of Renewal:** DPH has opted for a month-to-month lease because the Department is seeking a new site in order to consolidate clinic services.

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**Source of Funds:** 55% State funds and 45% General Fund

**Comments:**

1. As noted above, the Real Estate Department reports that the lease extension for Suite 320 at 1182 Market Street (Lease No. 11) was erroneously included in the proposed legislation. Therefore the legislation should be amended to delete reference to this lease.

2. Mr. Phil Aissen of the Real Estate Department reports that a site has been located which could potentially accommodate the planned consolidation of the clinic services currently being provided at 10-29th Street, 615 Grant Avenue (3rd Floor) and 1548 Stockton Street (Lease Nos. 13, 14 and 20). Mr. Aisssen advises that if a lease agreement is negotiated on this proposed site, the clinic services could be relocated by March of 1993. However, the Real Estate Department is recommending approval of the month-to-month Lease Nos. 13, 14, and 20 at this time.

3. The funding availability for these proposed leases is subject to approval in the Fiscal Year 1992-93 budget.

4. The Real Estate Department reports that the proposed rents reflect fair market value. Leases 19 and 20 are decreasing to adjust the monthly rent to the current fair market value.

**Recommendation:**

Amend the proposed resolution to delete reference to the lease extension for Suite 320 at 1182 Market Street (Lease No. 11) and approve the resolution as amended.

Item 8 - File 101-91-67

**Department:** Department of Public Health (DPH)  
Laguna Honda Hospital  
San Francisco General Hospital (SFGH)

**Item:** Supplemental appropriation ordinance appropriating \$12,662,437 for various purposes, rescinding \$55,000 from Permanent Salaries - Miscellaneous, \$41,258 from professional services, \$214,123 from Medical Services Contract, for fiscal year 1991-92 .

**Amount:** \$12,662,437

**Source of Funds:**

MediCare Net Revenue	\$ 7,900,000
Medi-Cal Net Revenue	2,473,042
Other Patient Net Revenue	1,607,000
Various Expenditure	
Reappropriations (Includes	
reappropriation of Prop. 99 funds	
not included in the title of the	
proposed ordinance)	<u>682,395</u>
Total	\$12,662,437

**Description:** The proposed supplemental appropriation would appropriate additional unanticipated patient revenues and reappropriate various previously appropriated DPH expenditures. These additional unanticipated patient revenues resulted from increased bed usage and patient census. The DPH reports that these additional revenues are needed for estimated year end operating expenditures and other revenue shortfalls, including shortfalls in workers compensation, fringe benefits, facilities maintenance at SFGH to prepare for an accreditation survey, and funds to be allocated to the General Fund representing SFGH's contribution to the current year deficit reduction plan. Specifically, the funds would be used as follows:

<b><u>San Francisco General Hospital (SFGH)</u></b>	<b>\$11,497,715</b>
Permanent Salaries - Miscellaneous	\$ 657,400
Permanent Salaries - Craft	17,000
Permanent Salaries - Nurses	404,500
Overtime Pay	15,200
Holiday Pay	19,300
Temporary Salaries	85,300
Mandatory Fringe Benefits	251,300
Other Fringe Benefits - Nurses	260,000
Contractual Services	1,400,000
Materials & Supplies	1,999,600

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City Attorney	\$ 140,000
Workers Compensation	421,000
Proposition 99 - California Healthcare for the Indigent Program (CHIP)	349,798
Facilities Maintenance & Capital Projects	528,000
Transfer to General Fund	<u>4,949,317</u>
Total SFGH	\$11,497,715
 <u>Laguna Honda Hospital (LHH)</u>	 \$ 483,042
Workers Compensation	<u>483,042</u>
Total LHH	\$ 483,042
 <u>DPH - Central Office</u>	 \$ 681,680
Mandatory Fringe Benefits	40,000
Community Public Health Services - (materials & supplies)	15,000
Proposition 99 - California Healthcare for the Indigent Program (CHIP)	<u>626,680</u>
Total DPH Central Office	\$ 681,680
 Grand Total	 \$12,662,437

**Comments:**

1. The DPH is projecting these expenditures of \$12,662,437 to be incurred through the end of the fiscal year. However, some of these expenditures will already be incurred prior to the Board of Supervisors' consideration of the proposed supplemental appropriation ordinance. Since the DPH was unable to specify the amount of expenditures which would be incurred prior to the Board of Supervisors' consideration of the proposed supplemental appropriation ordinance, the Budget Analyst recommends if the Board of Supervisors approves the proposed ordinance, the proposed ordinance should be amended to approve the expenditure of these funds retroactively.

2. According to San Francisco General Hospital (SFGH), the proposed supplemental appropriation request for permanent salaries, overtime pay, holiday pay and temporary salaries, mandatory fringe benefits and other fringe benefits - nurses is based on current expenditure trends. Overall, SFGH reports that these increased expenditure trends are a result of increased patient loads.

3. SFGH also reports that the \$1,400,000 projected deficit for contractual services consists of \$1,200,000 for increased use of nurses and pharmacists' registries, and \$200,000 which has been budgeted for additional facilities and maintenance contracts which the DPH anticipates completing in order to

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provide improvements for an accreditation and licensure survey performed by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), which will occur in October, 1992 (See Comment #14).

4. SFGH indicates that the \$1,999,600 projected deficit for materials and supplies would be required for increased costs associated with new drugs and technology (\$400,000), drug volume increases (\$400,000), increased blood usage (\$200,000), repayment to the State for AZT (\$827,600) and various other materials and supplies (\$172,000) needed for an accreditation and licensure survey (See Comment #14).

5. The \$140,000 request is for an overexpenditure of services provided by the City Attorney and the \$421,000 request is for a deficiency in the workers compensation account. The Board of Supervisors are also considering another supplemental appropriation ordinance (File 101-91-69, Item #10) for workers compensation for various City departments. The request for supplemental funds for workers compensation at SFGH is not included in that request (File 101-91-69, Item #10).

6. The \$349,798 would be used to continue to provide Proposition 99 California Healthcare for the Indigent Program (CHIP) hospital services at SFGH. These additional funds are required as a result of reduced State revenues available through Proposition 99.

7. The \$528,000 is being requested by SFGH for Facilities Maintenance and Capital Projects proposed by SFGH in order to comply with the accreditation and licensure survey. This request is in addition to the \$200,000 budgeted under contractual services, and the \$172,000 for materials and supplies. Therefore, there is a total of \$900,000 requested in this supplemental appropriation for Facilities Maintenance and Capital Projects associated with the accreditation and licensure survey. SFGH reports that based upon previous surveys completed, the new standards which would be applied in this survey would emphasize the Hospital's 1) urgent life-safety Code (Fire Code) and health and safety violations, 2) Emergency maintenance and survey preparation, and 3) compliance with previous citations. These projects are as follows:

Fire and Smoke Controls	\$255,000
Fire Doors	40,000
Electrical Distribution Switch	30,000
Emergency Stairwell Lighting	36,000
Fire Exiting Signage	15,000

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Ethylene Oxide (ETO) Safety/ development of an exhaust duct	\$ 50,000
Pigeon Abatement/Clean-up (reduce health risk to patients and staff)	70,000
Asbestos Abatement	12,000
Plumbing/Electrical/Carpentry/ Plaster/Painting	307,000
Drapery Installation (Window curtains and privacy drapes for inpatient areas)	25,000
Electrical Distribution Inspection	30,000
Surgicenter Project Preparation	15,000
Pathology Ventilation	<u>15,000</u>
Total	\$900,000

8. According to Mr. Jerry Rankin of SFGH, supplemental funding is being requested currently rather than as part of SFGH's 1992-93 budget because long lead times are required for these projects, and because the fiscal year 1992-93 budget does not contain sufficient funds to complete the projects required for the accreditation and licensure survey. According to SFGH expenditure reports, the funds budgeted for Facilities Maintenance during the current fiscal year were approximately \$740,000, and these funds have been entirely expended. In addition, Mr. Peter Praetz of SFGH reports that although \$937,000 was requested for Facilities Maintenance in SFGH's fiscal year 1992-93 budget, the Mayor is recommending approximately \$300,000 for Facilities Maintenance. The Budget Analyst has not yet completed a detailed review of SFGH's fiscal year budget (See Comment #14).

9. As noted above, the proposed supplemental appropriation ordinance also includes \$4,949,317 which would be transferred to the General Fund representing SFGH's contribution to the current year deficit plan.

10. The \$483,042 budgeted for Workers' Compensation at LHH is projected for underfunded Workers' Compensation expenditures for fiscal year 1991-92. As previously noted, the Board of Supervisors is also considering another supplemental appropriation ordinance (File 101-91-69, Item #10) for workers compensation for various City department. The request for supplemental funds for workers compensation at LHH is not included in that request (File 101-91-69, Item #10).

11. The DPH reports that based on current expenditure trends, it is estimated that the mandatory fringe benefit

account for DPH's Central Office will be overexpended by \$40,000.

12. The DPH also reports that an additional \$15,000 would be required for materials and supplies to provide for higher costs associated with pharmaceuticals used by the Family Planning Program, including the purchase of Norplant system-kits, which is a new birth control technology.

13. The \$626,680 would be used to continue to provide Proposition 99 California Healthcare for the Indigent Program (CHIP) hospital and administrative services provided by the DPH. These additional funds are required as a result of reduced State revenues available through Proposition 99.

14. The Budget Analyst recommends approval of the \$4,949,317 which would be transferred to the General Fund representing SFGH's contribution to the current year 1991-92 deficit plan as previously represented by the Mayors' Office and the Controller.

Given that the State is projecting a shortfall in Proposition 99 funds for the California Healthcare for the Indigent Program (CHIP), the Budget Analyst recommends approval of the following CHIP Services:

**San Francisco General Hospital**

Proposition 99 - California Healthcare for the Indigent Program (CHIP)	\$ 349,798
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**DPH - Central Office**

Proposition 99 - California Healthcare for the Indigent Program (CHIP)	<u>626,680</u>
Subtotal CHIP Services	\$ 976,478

The Controller's eight-month 1991-92 Financial Status Report dated March 30, 1992 projected deficits in permanent salaries, overtime pay, holiday pay, temporary salaries, mandatory fringe benefits and other fringe benefits totalling \$2,477,000 for San Francisco General Hospital, and it was anticipated that SFGH would request a supplemental appropriation ordinance to cover the projected deficit to be funded by increased hospital revenues. Although the Controller projected a deficit totalling \$2,477,000, based upon actual expenditures by SFGH through March 31, 1992, SFGH is requesting funds totalling \$1,710,000 as outlined below. Therefore, the Budget Analyst recommends approval of the following items:

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Permanent Salaries - Miscellaneous	\$ 657,400
Permanent Salaries - Craft	17,000
Permanent Salaries - Nurses	404,500
Overtime Pay	15,200
Holiday Pay	19,300
Temporary Salaries	85,300
Mandatory Fringe Benefits	251,300
Other Fringe Benefits - Nurses	<u>260,000</u>
Subtotal	\$ 1,710,000

The Controller's eight-month 1991-92 Financial Status Report dated March 30, 1992 also projected a deficit for workers compensation for both SFGH and LHH which are consistent with the proposed supplemental appropriation ordinance request. Therefore, the Budget Analyst recommends approval of the following items:

**San Francisco General Hospital**

Workers Compensation	\$ 421,000
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**Laguna Honda Hospital**

Workers' Compensation	<u>483,042</u>
Subtotal	\$ 904,042

In addition, based upon the projected deficits in the Financial Status Report dated March 30, 1992, and based upon the actual expenditure information provided by SFGH, the Budget Analyst recommends approval of the following items:

**San Francisco General Hospital**

Contractual Services	\$ 1,200,000
Materials & Supplies	1,827,600
City Attorney	140,000

**DPH - Central Office**

Mandatory Fringe Benefits	40,000
Community Public Health Services	<u>15,000</u>
Subtotal	\$ 3,222,600

However, given that the Budget Analyst has not yet completed a detailed review of the DPH's 1992-93 fiscal year budget, including a detailed review of the proposed facilities maintenance projects in conjunction with other requested budget items, the Budget Analyst believes that the \$900,000 requested for facilities maintenance projects should be continued until the Budget Analyst, the Finance Committee and the full Board of Supervisors has completed a detailed review of the DPH's 1992-93 budget as recommended by the Mayor.

**San Francisco General Hospital**

Contractual Services	\$ 200,000
Materials & Supplies	172,000
Facilities Maintenance & Capital Projects	<u>528,000</u>
Total	\$ 900,000

15. According to Mr. Richard Cordova of SFGH, the hospital requires the requested \$900,000 in funds for the above-listed facilities maintenance projects prior to the budget review by the Budget Analyst, the Finance Committee, and the full Board of Supervisors, and therefore, Mr. Cordova disagrees with the Budget Analyst's recommendation, particularly since these projects deal with accreditation.

**Recommendations:** 1. Approve funds totalling \$11,762,437 for the following items:

**San Francisco General Hospital**

Transfer to General Fund	\$ 4,949,317
Proposition 99 - California Healthcare for the Indigent Program (CHIP)	349,798
Permanent Salaries - Miscellaneous	657,400
Permanent Salaries - Craft	17,000
Permanent Salaries - Nurses	404,500
Overtime Pay	15,200
Holiday Pay	19,300
Temporary Salaries	85,300
Mandatory Fringe Benefits	251,300
Other Fringe Benefits - Nurses	260,000
Workers Compensation	421,000
Contractual Services	1,200,000
Materials & Supplies	1,827,600
City Attorney	140,000

**DPH - Central Office**

Proposition 99 - California Healthcare for the Indigent Program (CHIP)	\$ 626,680
Workers Compensation	483,042
Mandatory Fringe Benefits	40,000
Community Public Health Services	<u>15,000</u>
Total	\$11,762,437

2. Continue the balance of the requested amount of \$900,000 as detailed above, pending completion of the Budget Analyst's detailed review of the Mayor's recommended 1992-93 budget for the DPH.





Item 9 - File 101-91-68

**Department:** Police Department

**Item:** Supplemental appropriation ordinance for medical services of Police Department for Fiscal Year 1991-92

**Amount:** \$184,000

**Source of Funds:** General Fund - General Reserve

**Description:** The Police Department reports that effective March 6, 1992, the Department of Labor/Office of Safety and Health Administration (OSHA) regulation 29 CFR Part 1910.1030-Occupational Exposure to Bloodborne Pathogens, Final Rule, mandates that "the employer shall make available the Hepatitis B vaccine and vaccination series to all employees who have occupational exposure", and that such services must be "made available at no cost to the employee."

The Hepatitis B virus is a bloodborne disease. Based on information provided by the State Department of Health Services and the Center for Disease Control, the Department of Public Health, Bureau of Epidemiology and Disease Control reported in 1991 that each year in the United States an estimated 300,000 persons, primarily young adults, become infected with Hepatitis B. Of this total, approximately 25 percent or 75,000 develop jaundice, more than 10,000 require hospitalization and an average of 250 die of sudden disease. According to the DPH, Bureau of Epidemiology and Disease Control (BEDC), it is estimated that there are 750,000 to 1 million infectious carriers of Hepatitis B in the United States. Approximately 25 percent of carriers develop chronic active Hepatitis, which often progresses to cirrhosis of the liver. Further, carriers have a risk of developing primary liver cancer that is 12 to 300 times higher than that of other persons. The DPH, BEDC reported that serologic surveys demonstrate that although Hepatitis B infection is uncommon among adults in the general population, it is highly prevalent in certain groups. Those at high risk for acquiring Hepatitis B infection, include the following:

- 1) Persons born in areas where Hepatitis B is highly endemic; their descendants; and highly Hepatitis B — endemic populations (i.e., Alaskan Natives and Pacific Islanders.
- 2) Homosexuals.
- 3) Persons who have sexual activity with multiple partners.

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- 4) Intravenous drug users.
- 5) Inmates of prisons (usually drug related).
- 6) Patients in custodial institutions for the developmentally disabled.
- 7) Persons with occupational risks, including medical and dental workers, related laboratory and support personnel and public service employees who have contact with blood, as well as staff in institutions or classrooms for the developmentally disabled.

In response to the Department of Labor/OSHA's above noted mandate, the Police Department has arranged for St. Francis Memorial Hospital to provide Hepatitis B antibody screening, vaccination series and confirmatory antibody tests to approximately 1,800 sworn personnel of the Police Department.

Sergeant Woody Tennant of the Police Department reports that Police Department sworn personnel began receiving antibody test screenings and vaccinations in April of 1992. Of the 1,800 sworn personnel, 1,100 have been screened for antibodies. Of the 1,100 that have been screened for antibodies, approximately 880 (80 percent) have been found not to have antibodies and as such, have received vaccinations. Additionally, Sergeant Tennant advises that of the 1,100 sworn personnel that have received antibody test screening ten (10) have been found to be infected with the Hepatitis B virus.

**Comments:**

1. Mr. Tom Strong of the Police Department reports that the cost per unit for the Hepatitis B test screening is \$30 and the cost for the series of three Hepatitis B vaccinations is \$155. The total cost to provide test screenings for the 1,800 sworn personnel is \$54,000 (\$30 per unit cost x 1,800). Based on 80 percent of the entire 1,800 sworn personnel requiring vaccinations or 1,440, the total vaccination costs would be \$223,200 (1,440 x \$155), for a total one-time cost of \$277,200 including test screenings and vaccinations. Any additional costs incurred for these services would apply to new personnel. Mr. Strong advises that the Police Department has budgeted \$104,000 in its 1992-93 budget to supplement the cost of the Hepatitis B test screenings and vaccinations. The \$104,000 plus the proposed supplemental appropriation amount of \$184,000 would make available a total of \$288,000 for this purpose, or \$10,800 more than the \$277,200 estimated amount needed to pay for the test screenings and

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vaccinations for the 1,800 sworn personnel. According to Mr. Strong, the \$10,800 would be used to pay for Hepatitis B test screenings and vaccinations for any new personnel requiring these services in 1992-93.

3. Mr. Strong advises that, as of the writing of this report, the Police Department is unaware of any available outside funding (i.e., State or Federal) that could be used to pay for the Department's costs to provide the Hepatitis B test screenings and vaccinations.

4. As noted above, the Police Department has reported that the sworn personnel began receiving antibody test screenings and vaccinations in April of 1992. As such, the proposed ordinance should be amended to authorize the supplemental appropriation retroactively.

**Recommendation:** Amend the proposed ordinance to make the supplemental appropriation retroactive and approve the ordinance as amended.



June 3, 1992

Item 10 - File 101-91-69

**Department:** Employees Retirement System

**Item:** Supplemental appropriation ordinance appropriating \$5,888,460 for Workers Compensation 1991-92.

**Amount:** \$5,888,460

**Source of Funds:** General Fund

**Description:** The Employees Retirement System (ERS) has determined that there is an anticipated shortfall in the Workers Compensation costs of \$5,888,460 from the General Fund General Reserve.

The ERS Workers Compensation Division administers the provisions contained in the California Labor Code relative to industrial injuries sustained by employees. These benefits include medical payments, indemnity payments and rehabilitation. All employees of the City and County of San Francisco and the San Francisco Unified School District receive treatment for job-incurred injuries or illnesses. In addition to providing for the care and treatment of injured employees, the Workers Compensation Division processes all injury claims and determines eligibility for Workers Compensation benefits and disburses payments for medical and other expenses incurred as a result of work-related injuries or illnesses.

Workers Compensation costs to the City include direct injury payments for legal services, medical services, permanent disability, rehabilitation, and temporary disability.

The \$5,888,460 for Workers Compensation would be allocated as follows:

Employees Retirement System (ERS)	\$27,338
Juvenile Court	235,360
Police Department	2,073,721
Fire Department	1,301,739
Sheriff	365,938
Department of Social Services	151,180



Municipal Railway	\$1,141,517
Recreation and Park	349,334
Miscellaneous Small Departments	42,333
City Attorney (includes workers compensation-related attorney fees)	<u>200,000</u>
TOTAL REQUEST	\$5,888,460

**Comments:**

1. Based on actual expenditures from July 1, 1991 to April 30, 1992, and estimated expenditures for May and June of 1992 the Budget Analyst projects shortfalls (excluding costs for the City Attorney) in Workers Compensation costs as follows:

	Annual Expenditures 7/1/91- <u>4/30/92</u>	Projected Expenditures <u>5/1/92-6/30/92</u>	Amt. Included in 1991-1992 <u>Budget</u>	Projected <u>Shortfall</u>
ERS	\$42,698	\$8,510	\$35,657	\$15,551
Juvenile Court	320,226	64,044	148,910	235,360
Police Department	4,893,260	978,652	3,798,191	2,073,721
Fire Department	3,785,199	757,140	3,240,600	1,301,739
Sheriff	648,949	129,790	412,801	365,938
Department of Social Services	353,559	70,712	273,091	151,180
Municipal Railway	5,631,597	1,126,319	5,616,399	1,141,517
Recreation and Park	1,095,907	219,192	965,765	349,334
Misc. Small Departments	96,855	19,371	107,948	8,278
City Attorney's Office				<u>200,000</u>
Total Projected Shortfall				\$5,842,618

City Attorney's fees, at \$200,000, are based on an estimate from the City Attorney's Office to ERS regarding anticipated expenditures for the remainder of the fiscal year.

The Budget Analyst's projections substantially agree with the supplemental appropriation request for all departments except ERS and the miscellaneous small departments. The proposed supplemental appropriation: (1) would fund ERS at \$27,338, when only \$15,551 is anticipated to be required, a difference of \$11,787; and (2) would fund the miscellaneous small departments at \$42,333, when only \$8,278 is anticipated to be required, a difference of \$34,055. Therefore, the proposed supplemental appropriation should be amended to reduce ERS from \$27,338 to \$15,551, a difference of \$11,787, and to reduce Services of Other Departments from \$1,711,702 to \$1,677,647, a difference of \$34,055. (Services of Other Departments in the proposed supplemental appropriation, at \$1,711,702 includes the Department of Social Services, Municipal Railway, the Recreation and Park Department, and various small departments.)

2. The proposed supplemental appropriation contains one error. The Department and Number column on page two, line eight should be amended to read "30-4200 (302117)" rather than "30-3700 (302117)."

3. The proposed supplemental appropriation would be funded by the General Fund's General Reserve.

4. According to a report prepared by the Chief Administrative Officer's (CAO) Risk Manager, Mr. Keith Grand, in January of 1991, 7,000 of the City's 25,000 employees, or almost one in four employees, file Workers Compensation claims annually. The City loses over 150,000 work days due to job related injuries and illnesses. The Risk Manager's report advises that San Francisco files more than double the State average rate of Workers Compensation claims and City employees stay off the job an average of twice as long as the State average.

5. A Workers Compensation Task Force, formed at the request of the Mayor, issued a report on January 6, 1992 identifying problem areas in the Workers Compensation program and making recommendations to alleviate the problems. The Task Force's report indicated, among other things, that Workers Compensation costs are high because the Workers Compensation Division of ERS is understaffed and adjusters are unable to thoroughly evaluate claims; policies and procedures are not standardized; training for managers, supervisors and employees is inadequate; and adequate return to work or light duty programs do not exist.

The Workers Compensation Task Force that authored the January 6, 1992 report has disbanded.

6. A permanent Workers Compensation Task Force, which is completely separate from the previously noted Workers Compensation Task Force created at the request of the Mayor, was created by the Board of Supervisors in September 1991. The permanent Workers Compensation Task Force consists of eight members, including: (1) the Risk Manager; (2) the Mayor's Budget Director; (3) the Board of Supervisors Budget Analyst; (4) the General Manager of the Retirement System; (5) the Director of Employees Relations Division; (6) the General Manager of Civil Service; and (7) two department heads to be designated by the other Task Force members. The permanent Task Force is anticipated to issue a report to the City Services Committee in July 1992, Ms. Margaret Kisliuk, Chair of the Task Force, advises.

7. According to Ms. Kisliuk, numerous new measures are anticipated to be implemented to reduce Workers Compensation costs, as follows:

- In fiscal year 1992-93, the City is anticipated to contract out Workers Compensation activities. \$840,000 has been included in the Mayor's FY 1992-93 budget for this proposed contract, Ms. Kisliuk advises. The contract would include incentives to reduce Workers Compensation costs by allowing the contractor to share a portion of any savings from contractor activity. The proposed contract would be an 18-month pilot project, according to Ms. Kisliuk.
- A preferred provider system is being established, whereby participating doctors are paid lower fees in exchange for ERS referrals. Ms. Kisliuk reports that approximately 60 percent of Workers Compensation claimants are estimated to use ERS-referred doctors.
- The Task Force is developing a City-wide light duty program, where able Workers Compensation claimants perform light duty while receiving benefits.

Ms. Kisliuk advises that departments have lately exhibited greater awareness of workplace safety, and Workers Compensation costs are anticipated to decline as a result. However, according to Ms. Kisliuk, since a large portion of Workers Compensation costs consist of payments for claims from preceding years, and because Workers Compensation eligibility and benefits are largely determined by State

mandates, the City has limited control of Workers Compensation costs.

Ms. Kisiuk advises that the permanent Task Force concurs with the previous Mayor's Task Force's contention that the major reason for high Workers Compensation costs is the high caseload of Workers Compensation claims adjusters, and adjusters' consequent inability to evaluate claims.

8. Budget estimates for Workers Compensation have been low every year for the past six years. Supplemental Appropriations were approved in each of these years.

9. The Budget Analyst previously reported to the Finance Committee and the full Board of Supervisors in June of 1991 during the 1991-92 budget review that Workers Compensation costs were underbudgeted in the Mayor's recommended Fiscal Year 1991-92 budget.

10. In addition to the \$5,888,460 requested for various General Fund funded departments, a second supplemental appropriation request is currently being considered by the Board of Supervisors for Laguna Honda Hospital, at \$483,042, and San Francisco General Hospital, at \$421,000, for a total of \$904,042 (Item 8, File 101-91-67).

11. A total of \$20,681,566 was included in the fiscal year 1991-92 budget for Workers Compensation. In addition to the \$5,842,618 projected shortfall for General Fund funded departments included in this supplemental appropriation request, \$1,400,669 is anticipated to be transferred from budget surpluses to Workers Compensation in various departments, such as the Airport, Department of Parking and Traffic, and Superior Court, and \$749,418 has already been transferred to Workers Compensation in various enterprise fund departments. Including the \$20,681,566 included in the original FY 1991-92 budget, the \$5,842,618 projected shortfall included in this supplemental appropriation request, the \$904,042 included in the supplemental appropriation request for San Francisco General Hospital and Laguna Honda Hospital (Item 8, File 101-91-67), the \$1,400,669 to be transferred within departments, and the \$749,418 which has already been transferred within departments, a total of \$29,578,313 is anticipated to be expended for Workers Compensation in FY 1991-92.

12. In contrast to this projection of actual 1991-92 expenditures of \$29,578,313, only \$25,487,494 has been



included in the Mayor's recommended budget for Workers Compensation in FY 1992-93. Although \$25,487,494 represents an increase of \$4,805,928 over the \$20,681,566 included in the FY 1991-92 budget, in fact, the \$25,487,494 included in the Mayor's proposed 1992-93 budget is \$4,090,819, or approximately 14 percent, less than the \$29,578,313 amount projected to be incurred in FY 1991-92.

13. As noted above, a number of new measures are to be implemented in 1992-93 in order to reduce Workers Compensation costs, including the use of an outside contractor. However, unless such measures result in savings exceeding \$4.1 million, the Budget Analyst projects that Workers Compensation costs have been underbudgeted significantly in the Mayor's recommended 1992-93 budget.

14. Any outside contractor for the Workers Compensation Program included in the FY 1992-93 budget would be funded from approximately January 1, 1993 to June 30, 1993. The Budget Analyst anticipates recommending during the 1992-93 budget review that any funds included in the FY 1992-93 budget for an outside contractor be partially reserved, so that the Workers Compensation Division would be required to report back to the Finance Committee after five months regarding savings accrued in Workers Compensation as a result of the contractor's activities.

**Recommendations:** (1) Amend the proposed supplemental appropriation to reduce ERS from \$27,338 to \$15,551, a reduction of \$11,787; and to reduce Services of Other Departments from \$1,711,702 to \$1,677,647, a difference of \$34,055, for a total reduction of \$45,842.

(2) Amend the Department and Number column on page two, line eight to read "30-4200 (302117)" rather than "30-3700 (302117)."

(3) Approve the proposed supplemental appropriation as amended.

Item 11 - File 101-91-70

**Department:** Sheriff Department

**Item:** Ordinance appropriating \$509,000 for materials and supplies, Sheriff Department, for fiscal year 1991-92; releasing reserve of \$101,301 from permanent salaries.

**Amount:** \$509,000 requested supplemental appropriation  
\$101,301 requested release of reserve funds  
\$610,301 total request

**Source of Funds:** General Fund, General Reserve

**Description:** The proposed ordinance concerns requests by the Sheriff's Department both for a supplemental appropriation and for the release of reserve funds. However, the \$101,301 request for release of reserve funds was already considered by the Finance Committee on May 27, 1992 (File No. 101-91-1.1). Therefore, only the requested \$509,000 supplemental appropriation remains to be considered.

The \$509,000 supplemental appropriation is requested to pay the cost of food, materials, and supplies for custody operations of the Sheriff's Department through the remainder of the fiscal year. The Sheriff reports that due to a 12 percent increase in the jail population in the current fiscal year, a budget shortfall exists for food, materials and supplies for custody operations. The Sheriff reports that the average daily population in the County jails has increased from 1,826 in 1990-91 to 2,044 in the current year, an increase of 11.9 percent.

Of the \$509,000 in supplemental funds requested, \$289,000 was originally requested to pay for food costs, and \$220,000 was originally requested to pay for additional supplies, such as clothing, sheets, blankets, toilet paper, paper towels, garbage bags, and cleaning supplies. (The Sheriff's Department presently estimates that it needs only \$464,663, or \$44,337 less than the \$509,000 requested. This current estimate includes \$271,364 for food purchases and \$193,299 for clothing and other supplies, such as sheets, towels, cleaning supplies, and toiletries.)

**Comment:** 1. Lt. Jan Dempsey, Financial Services Manager for the Sheriff's Department, reports that the Sheriff has budgeted \$3.2 million for food expenditures in the current fiscal year. Of this amount, the Sheriff had expended \$2,564,483 for food through March 25, 1992. Based on this rate of food



expenditures for the fiscal year to date, the Budget Analyst estimates that food expenditures for the remainder of the fiscal year would be \$901,035. A supplemental appropriation would therefore be required as follows:

Amount budgeted for food in FY 1991-92		\$3,200,000
Actual Expenditures to March 25, 1992	(\$2,564,483)	
Projected Expenditures March 26 - June 30, 1992:	<u>(901,035)</u>	
Total projected expenditures, FY 1991-92:		<u>(3,465,518)</u>

Amount of projected shortfall:	(\$265,518)
Supplemental Appropriation as Requested:	<u>289,000</u>

Reduction from Requested Appropriation:	\$23,482
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2. The Sheriff's Department has requested a supplemental appropriation of \$220,000 in order to purchase clothing and other personal supplies for inmates for the remainder of the fiscal year. However, as previously noted, based on the number of orders which are currently outstanding and which must be paid prior to June 30, the Sheriff presently estimates a need of only \$193,299.

Orders have been placed for inmate clothing, sheets, blankets, toilet paper, paper towels, cleaning supplies, and a range of other products related to custodial functions of the County Jail. Lt. Dempsey indicates that approximately 65 percent (equivalent to \$125,644) of the outstanding orders are for articles of clothing. Lt. Dempsey states that the Sheriff orders large quantities of inmate clothing twice each year, usually in April and August, and places smaller quantities throughout the year. She also states that under the terms of a consent decree now in effect, the Sheriff is required to maintain two sets of clothing "on the shelf" for each set of clothing issued to inmates, but that the Sheriff has had difficulty complying with this requirement as the inmate population has increased. In addition to an estimated \$125,644 for clothing, an additional amount of \$67,655 is needed for other supplies, for a total of \$193,299, or \$26,701 less than the original request.

3. As stated above, the Budget Analyst projects a need for food expenditures through the end of the fiscal year of \$265,518, or \$23,482 less than the \$289,000 originally requested. A supplemental appropriation is therefore recommended in the amount of \$458,817 (\$265,518 for food + \$193,299 for clothing, materials and supplies).

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**Recommendations:** Amend the proposed ordinance by deleting references in the title to the release of reserve funds of \$101,301 from permanent salaries.

Amend the proposed ordinance to reduce the supplemental appropriation request of \$509,000 by \$50,183 (\$23,482 for food and \$26,701 for materials and supplies), to \$458,817.

Approve the proposed ordinance, as amended.



Item 12 - File 101-91-71

**Department:** Department of Public Health (DPH)  
Emergency Medical Services (EMS) Agency

**Item:** Supplemental appropriation ordinance for permanent salaries - miscellaneous, mandatory fringe benefits, professional services, medical services contracts and EDP service - EIPSC and Proposition J/Civil Service Commission, Public Health for fiscal year 1991-92.

**Amount :** \$943,616

**Source of Funds:** Appropriation of Emergency Medical Services (EMS) Fund monies (Parking Traffic Fines). State SB12 established that Counties could impose a two dollar assessment on traffic fines to be deposited to an Emergency Medical Services Fund.

**Description:** The San Francisco Emergency Medical Services (EMS) Fund was established in 1988. The purpose of the Fund is to reimburse private physicians and hospitals for uncompensated care and other emergency medical services. Under the guidelines of SB 12, the Fund is to be distributed as follows: up to 10 percent for administrative costs; thereafter, up to 58 percent to private physicians providing emergency services in acute care private hospitals, up to 25 percent to hospitals providing emergency medical services, and up to 17 percent for other emergency medical purposes provided by various public and private enterprises. The proposed supplemental appropriation ordinance would be used for (a) claims processing of SB 12 emergency physician services, through a newly integrated program with the AB 75, California Healthcare for the Indigent Program (CHIP), (b) to provide reimbursements to private hospitals and private physicians that provide emergency medical services, (c) the installation of upgraded radios and computers for the EMS hospital network, and (d) continued funding for a Disaster Planner responsible for the coordination activities for the EMS Agency's Disaster Preparedness Program.

**Comments:** 1. The DPH reports that the proposed \$943,616 in SB 12 funding would be used as follows:

Administration

Professional Services Contract \$ 51,000

Physician Services

Physician reimbursements 550,948

Hospital Services

Hospital Reimbursements	\$ 51,000
Electronic Data Processing (EDP)	280,000

Other Emergency Services

2533 EMS Agency Specialist (Includes salary and fringe benefit monies for 4.4 biweekly pay periods)	10,668
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Total Supplemental	\$943,616
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2. The \$51,000 budgeted for a Professional Services Contract for Administration would be used for a fiscal intermediary, Medicus Systems, to process claims for services provided by EMS physicians. According to Ms. Abbie Yant of the DPH's EMS Agency, the services funded for Medicus Systems through this supplemental appropriation ordinance are ongoing and would continue to be provided through December 31, 1992. Medicus Systems also processes claims under the AB 75 California Healthcare for the Indigent Program (CHIP) project. Services provided by Medicus Systems includes processing and paying claims, generating reports, to maintain physician relations to facilitate claims processing, and to assist in program and policy development to increase the EMS Agency's administrative effectiveness. Ms. Yant reports that the EMS Agency would modify the existing contract with Medicus Systems for services provided under the AB 75 project, and merge these claims processing services with other EMS Agency services. Under the expanded contract, Ms. Yant estimates that the EMS Agency would save approximately \$200,000 to \$300,000 annually under an expanded contract versus entering into a separate contract for claims processing for the EMS Agency.

3. Ms. Yant reports that the claims processing services have been provided by Medicus Systems for the EMS Agency since approximately November, 1991. Ms. Yant explains that because of changes in State policy guidelines, there were delays in establishing the Emergency Medical Services (EMS) program, and thus this contract has been previously funded through AB 75 revenues. In addition, Ms. Yant also reports that because it is anticipated that decreased AB 75 revenues would be received by the DPH for fiscal year 1992-93, the DPH is intending to expand the existing Medicus Systems contract, and supplement the existing contract from the EMS Special Fund monies. The projected total estimated revenues to be collected into the EMS Special Fund through June 30, 1992 is approximately \$1,551,200. Ms. Yant reports that although Medicus Systems would not begin to process claims until approximately July 1, 1992 through December

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31, 1992, thus far, Medicus Systems has provided ongoing services and the EMS owes approximately \$15,000 for start up costs associated with claims processing for the EMS Agency. Ms. Yant reports that additional funds are requested in the DPH's budget for FY 1992-93 for continuation of the Medicus contract throughout the end of FY 1992-93. Therefore, if the Board of Supervisors approves the proposed supplemental appropriation ordinance, the proposed ordinance should be amended to authorize the EMS Agency to expend \$15,000 retroactively.

4. Medicus Systems which is neither a City-certified MBE or WBE firm, was awarded the contract under a Request for Proposal (RFP) process, according to Ms. Yant. Ms. Yant reports that the \$51,000 contract amount for Medicus Systems is not based on an hourly rate, but rather was based on the four service areas which would be provided by Medicus Systems. Services provided by Medicus Systems include processing and paying claims, generating reports, maintaining physician relations to facilitate claims processing, and assisting in program and policy development to increase the EMS Agency's administrative effectiveness.

5. The \$550,948 budgeted for physician reimbursements would be used for emergency services rendered by private physicians during FY 1991-92.

6. The \$51,000 budgeted for Hospital Reimbursements under Hospital Services would be disbursed by the EMS Agency to hospitals located in San Francisco for the costs associated with receiving patients into their emergency departments. Hospitals located in San Francisco would receive payments in direct proportion to the number of patients received into their emergency departments by 911 ambulances. Ms. Yant explains that hospitals that provide emergency services may not receive reimbursements directly from patients for costs associated with treatment of patients into their emergency departments. Ms. Yant indicates that because hospitals cannot legally refuse treatment to emergency patients, there can be a financial loss. In addition, Ms. Yant reports that because SFGH is the largest provider of emergency services in San Francisco, SFGH would receive approximately 50 percent of the funds budgeted for hospital reimbursements, or approximately \$25,500.

7. The \$280,000 budgeted for Electronic Data Processing (EDP) Services under Hospital Services would be used for contractual services to provide computer hardware, software, installation and training for comprehensive interhospital communication system enhancements, including radio



equipment, installation and networking of computer systems with emergency provider hospitals in San Francisco. Ms. Yant reports that the proposed network computer system would be used to enhance the EMS Agency's networking communications system with the emergency provider hospitals, the City's Emergency Command Center and the emergency dispatch center under the DPH's Paramedics Division. However, the contractor has not yet been selected, and EISPC has not yet approved the proposed EDP Services. Therefore, the \$280,000 budgeted for Electronic Data Processing (EDP) contractual services should be reserved pending EISPC approval, the MBE and/or WBE status of the contractors and finalized contract cost details.

8. The \$10,668 budgeted for the 2533 EMS Agency Specialist would be used to fund this existing position in the DPH through the end of the fiscal year. The 2533 EMS Agency Specialist is responsible for writing the Department's disaster plan and conducting regular training programs, exercises and drills. As noted above, the \$10,668 budgeted for this position includes funding for 4.4 biweekly pay periods, Ms. Yant reports that this position was filled in February, 1992, and has thus far been funded through previously appropriated EMS Special Fund monies, and through other available funds for Temporary Salaries. Therefore, the \$10,668 request would partially reimburse the DPH's Temporary Salaries account and also provide payment for this position through the end of the fiscal year. The 2533 EMS Agency Specialist is included in the DPH's FY 1992-93 budget at an annual cost of approximately \$53,322 to be funded through EMS Special Fund monies.

- Recommendations:**
1. Amend the proposed ordinance to reserve the \$280,000 budgeted for Electronic Data Processing (EDP) contractual services pending EISPC approval, the MBE and/or WBE status of the contractors and finalized contract cost details.
  2. Amend the proposed ordinance to authorize the EMS Agency to expend \$15,000 of the proposed supplemental funds for the Medicus Systems contract retroactively.
  3. Approve the proposed resolution as amended.

Item 13 - File 101-91-73

**Department:** Juvenile Probation Department

**Item:** Supplemental Appropriation Ordinance for professional services for the Juvenile Probation Department

**Amount :** \$44,573

**Source of Funds:** General Fund - Juvenile Justice Program Reserve

**Description:** During the 1990-91 budget process, the Board of Supervisors established a \$100,000 General Fund Juvenile Justice Program Reserve to be used to initiate an Intensive Home Supervision/Community Case Management (IHS/CCM) Program for juvenile offenders. The Juvenile Probation Department advises that the program was scheduled to commence in FY 1990-91. However, due to administrative delays, the program did not get underway until the beginning of FY 1991-92. Subsequently, the Board of Supervisors approved a supplemental appropriation totalling \$55,427 from the \$100,000 Reserve for the IHS/CCM Program, for staff training (\$54,980), travel (\$161) and membership fees (\$286). Therefore, there is a balance in the Reserve Fund of \$44,573.

The Juvenile Probation Department advises that an additional \$100,000 was included in its 1991-92 budget for the IHS/CCM Program. These funds were used to pay for contract services with five non-profit organizations for the provision of services to youthful male and female offenders, ages 13 to 17, who are wards of Juvenile Court and under consideration for removal from home or the community-at-large, based on their pattern of law violations. Contracts with these five nonprofit organizations are in the amount of \$20,000 each. The services provided by these non-profit organizations are an alternative to removing the youth from their homes or placing them in an institution. Services provided by the non-profit organizations are aimed at (1) ensuring public safety by providing intensive supervision of youths assigned to this program (i.e., a minimum of three face to face contacts each week and daily communication, (2) lessening the commitment of youths to institutions and private placements outside the home, (3) providing a comprehensive youth and family needs assessment and tailoring community educational, vocational, health and counseling services to effect positive behavior changes in the client youth and (4) lowering the incidence of delinquent recidivism.

The Juvenile Probation Department is proposing to use the requested supplemental appropriation in the amount of \$44,573 to enhance and expand the contract services being provided by four of the five non-profit organizations.

**Comment:** The Juvenile Probation Department has requested that this item be continued to the call of the Chair in order to have additional time to provide supportive documentation for this supplemental appropriation request.

**Recommendation:** Continue this item to the call of the Chair as requested by the Juvenile Probation Department.

Item 14 - File 27-92-2

**Department:** Airports Commission

**Item:** Ordinance approving Modification No. 5 of the Lease and Use Agreement between USAir, Inc. and the City and County of San Francisco acting by and through the Airports Commission.

**Description:** The existing lease with USAir, Inc. is for a 30-year term from July 1, 1981 to June 30, 2011.

The proposed lease modification would allow USAir, Inc. to relinquish a portion of its exclusive use Phase III South Terminal leasehold consisting of 220 square feet of Category I (ticket counter) and 608 square feet of Category II (back office) space, both located in the West Sector of the South Terminal. Since the Airport intends to issue a permit for this space to Air Canada to accommodate Air Canada's operations, revenue to the Airport will remain unchanged.

Airport space categories are defined as follows:

Category I:	Ticket Counters and Hold Rooms (waiting areas by gates)
Category II:	Ticket Counter Back Offices, VIP Clubs, Baggage Claim Lobbies
Category III:	Administrative and Operations Offices (basement level)
Category IV:	Baggage Handling Areas
Category V:	Unenclosed or Covered Areas (ramp level)

**Comments:**

1. USAir, Inc.'s Lease and Use Agreement Modification No. 5 was adopted on May 5, 1992 by the Airports Commission Resolution No. 92-0146.
2. The proposed ordinance would decrease USAir's exclusive space from 41,255 square feet to 40,427 square feet. The total amount of exclusive use space that would be leased by USAir, Inc. as a result of the proposed Modification No. 5 is as follows:

<u>Exclusive Use</u>	<u>Square Feet</u>
Category I	19,343
Category II	9,632
Category III	<u>11,452</u>
Total	40,427

The joint use space for USAir, Inc. would remain the same, as follows:

<u>Joint Use</u>	<u>Square Feet</u>
Category II	14,597
Category IV	<u>19,959</u>
Total	34,556

3. Ms. Angela Gittens of the Airports Commission advises that the annual revenues to the Airport for the space that would be vacated will remain unchanged, since Air Canada intends to occupy the vacated space on a month-to-month permit basis at the same rate at which USAir has leased it. Ms. Gittens reports that the revenues involved in the space to be relinquished by USAir total \$29,752.28 per year (220 square feet of Category I space @ \$44.01 per square foot per year = \$9,682.20; and 608 square feet of Category II space @ \$33.01 per square foot per year = \$20,070.08).

4. Ms. Gittens further reports that the Airports Commission has opted to rent the vacated space on a month-to-month permit basis to Air Canada so as to give the Airport as much flexibility as possible to respond to changes in the airline industry. She notes that ticket counter space is currently at a premium, but that the Airports Commission is charging all of the airlines the same rates for space at the Airport.

**Recommendation:** Approve the proposed ordinance



Item 15 - File 62-92-2

- Department:** Recreation and Park Department
- Item:** Ordinance approving a ten year lease with Frederick Lo and Peter Fong, a Partnership, for establishing and operating a gift shop and tea house concession at the Japanese Tea Garden in Golden Gate Park.
- Description:** The proposed ordinance would approve a lease with the Partnership of Frederick Lo and Peter Fong to establish and operate the Japanese Tea House and Gift Shop at the Japanese Tea Garden in Golden Gate Park. These facilities are presently operated by a different concessionaire. The proposed lease would take effect when and if it is approved by the Board of Supervisors and executed by the Mayor.
- The property to be leased consists of the Tea House, the Gift Shop, and a trash storage area in the Japanese Tea Garden, operation of the tour bus parking lot adjacent to the Tea Garden, and use of the parking lot ticket booth for sale of gift items.
- The Recreation and Park Department has submitted a list of five bidders (a copy of the list is attached) for the Japanese Tea Garden Concession, showing that the partnership of Lo and Fong (the "Lessee" under the proposed lease) was the highest bidder. The Recreation and Park Department and the Human Rights Commission have indicated that bidding preferences are not granted to Minority or Women's Business Enterprises for concessions of this type.
- Under the terms of the proposed lease, the Lessee would remit a minimum annual payment equal to the greater of \$280,000 or 38.5 percent of gross receipts from the Gift Shop and the Tea House. In either case, additional rent would also be paid based on other revenues received, calculated at 10 percent of the gross receipts from a gift shop at the tour bus ticket booth; 40 percent of all admission fees collected at the tour bus parking lot; all proceeds from the sale of Japanese Tea Garden brochures at either the Gift Shop or the parking lot ticket booth; and payments to an Improvement Fund in the amount of \$15,000 during each of the first five years of the proposed lease and \$35,000 per year in years 6-10 of the proposed lease, for total contributions to the Improvement Fund of \$250,000 (see Comment No.7).
- In addition to the Improvement Fund contributions of \$250,000, the Lessee would also finance, within one year from commencement of the proposed lease, at least \$43,400 in

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capital improvements to the Japanese Tea Garden, following written authorization of the Recreation and Park Department (see Comment No. 6). All leaseholder improvements made over the term of the lease and affixed to the premises would become the property of the City and County of San Francisco. Those improvements consisting of trade fixtures, furnishings, or personal property used in the course of business would remain the property of the Lessee.

Lessee would be granted the exclusive right to commercial operation of the Tea House and the Gift Shop at the Japanese Tea Garden. The Gift Shop would sell only those souvenirs and curios which reflect a Japanese or Asian character, and the proposed lease provides that nothing would be sold which is inappropriate to maintaining the "Japanese/Oriental spirit" of the Tea Garden. Operations at the Tea House would be limited to the sale of Japanese or Oriental tea and cookies, and juices and soft drinks. At the Tour Bus Parking Lot ticket booth, Lessee would be authorized to sell a range of products and souvenirs related to the Tea Garden, Golden Gate Park, and San Francisco. As part of the Tour Bus Parking Lot operation, Lessee would also collect parking fees.

Admission to the Tea Garden would continue under the purview of the Recreation and Park Department, with City employees staffing the admission booth at the entrance to the Tea Garden. The fee for admission to the Tea Garden is now \$2.00 for an adult, \$1.00 per child, and \$1.00 for senior citizens.

The lease contains no option for renewal after the expiration of the ten year term of the lease. The proposed lease includes the following additional provisions:

- Lessee would pay all costs of utility services, including the cost of bringing additional utility services to the premises, if necessary.
- Lessee would be responsible for the cost of any necessary repairs or improvements in order to keep the premises which are governed by the lease in good condition, and would be required to make repairs to the satisfaction of the City and County. However, the City would reimburse Lessee for the cost of any additional improvements required within the Japanese Tea Garden which are authorized by the City and County but "not contemplated" by the proposed lease. The City would not guarantee ("warrant") the condition of the premises under the proposed lease and Lessee would accept the premises in the condition in which they are found at the commencement of the lease.

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- Lessee would pay a security deposit of \$45,000, refundable at the termination of the proposed lease if Lessee has complied with all of the terms and conditions of the proposed lease.
- Rates and charges for gift items would be determined by the Lessee, but prices established for the operation of the Tea House and the tour bus parking lot are expected to be competitive and would be subject to approval by the Recreation and Park Commission. The Commission also would be granted a right under the proposed lease to object to the condition of the premises or the quality of service provided and to require all objectionable practices to be remedied or discontinued.
- Lessee's operations under the proposed lease would be audited annually at the expense of Lessee, and an annual report of the audit would be submitted to the Recreation and Park Commission.
- Lessee would operate the concession at all times that the Japanese Tea Garden is open to the public.
- Lessee would be required to provide Worker's Compensation Insurance, Comprehensive General Liability Insurance, and Comprehensive Automobile Liability Insurance, each with limits of not less than \$1 million, and Property Insurance providing for full replacement value of the building and fixtures. The proposed lease provides that each policy would name as an Additional Insured the City and County of San Francisco, Recreation and Park Commission, its officers, agents, or employees.
- The Commission would be able to terminate the lease, upon written notice to Lessee, should the Lessee fail to perform any of its obligations under the lease and fails to respond to written demand by the Commission for remedial action.

**Comments:**

1. Mr. Dennis Chan, Property Manager for the Recreation and Park Department, reports that under the terms of the lease now in effect, the City receives the higher of a lump sum payment of \$50,000 or 30 percent of the gross revenues (defined as total revenues less sales taxes paid to State and local governments) of the Tea House and the Gift Shop. The present lease has been in effect since 1976, according to Mr. Chan, and in recent years the annual rent has consisted of the percentage of annual sales revenue. After-tax revenues of the Tea House and Gift Shop and the rent payments

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received by the City during each of the last three fiscal years are shown below. Also shown are figures representing 38.5 percent (under the proposed lease) of the after-tax revenues, to approximate the revenues which the City could receive under the terms of the proposed new lease:

<u>Year</u>	<u>After Tax Revenue</u>	<u>Current Lease: 30 Percent of Revenues</u>	<u>Proposed Lease: 38.5 Percent of Revenues</u>
FY 1988-89	\$513,310	\$153,993	\$197,624
FY 1989-90	514,310	154,293	198,009
FY 1990-91	537,680	161,304	207,007

However, under the terms of the proposed lease, the City would receive a minimum annual payment of \$280,000 rather than 38.5 percent of revenues, if revenues were similar to the historical information shown above. To receive 38.5 percent of revenues rather than the minimum payment of \$280,000, the Tea House and Gift Shop would have to generate after-tax revenues of at least approximately \$727,275 (38.5 percent of \$727,275 is \$280,001, which is higher than the minimum guaranteed payment of \$280,000).

It can also be seen that compared to the rent received of \$161,304 in fiscal year 1990-91, a guaranteed minimum payment of \$280,000 would generate an additional \$118,696 in rent revenue from operations of the Tea House and Gift Shop alone.

2. In addition to the annual rent received (\$280,000 or 38.5 percent of revenues) from operations of the Tea House and Gift Shop, the proposed lease stipulates that the Lessee would pay additional rent based on other sources of revenue associated with the leased premises. Specifically, the Lessee would remit 10 percent of the revenues generated by the gift shop located outside the Tea Garden at the tour bus ticket booth, and 40 percent of the parking fees collected at the tour bus parking lot, as described in Comments 3 and 4 below.

3. Under the existing lease, there has been no sale of gift items at the tour bus parking lot ticket booth. Therefore, the revenue to be generated at this location cannot be estimated based on past sales.

Mr. Chan states that the Lessee under the proposed lease requested permission to generate sales at this location in order to offset labor costs associated with operating the Tea House and Gift Shop. Examples of items to be sold at this location, according to the proposed lease, are key chains,

hats, sunglasses, license plates, maps, brochures, post cards, calendars, tour books, photographic film, and similar items.

Mr. Chan further indicates that a condition of the proposed lease is that the Lessee may not expand the ticket booth to accommodate the sale of gift items, nor set up tables or other sales displays at the parking lot. Mr. Chan states that this prohibition is contained in the provision of the proposed lease which states that the "Lessee understands and agrees that the sales [sic] of gift items shall be sold at the ticket booth."

The Budget Analyst notes that the sale of gift items at the parking lot ticket booth could potentially reduce total sales at the Tea Garden Gift Shop, and result in decreased revenues to the City. This is because the City would receive 28.5 percent more revenue from the sale of items at the Tea Garden Gift Shop than at the parking lot (38.5 percent of revenues rather than 10 percent, respectively). However, this potential revenue loss could only occur if the Gift Shop rent were calculated as 38.5 percent of Gift Shop revenues, rather than as the \$280,000 minimum payment.

4. As noted above, additional rent will also include 40 percent of the proceeds from parking operations at the tour bus parking lot. Mr. Chan indicates that until now the parking lot has been operated by the Recreation and Park Department. The operation has imposed salary costs to the City in fiscal years 1990-91 and 1991-92 as follows:

<u>Position:</u>	<u>Annual Cost*</u>
3302 Vendor (@ \$891 biweekly)	\$23,344
Fringe benefits (@ 27 percent):	<u>6,303</u>
Total:	\$29,647

\*Based on 26.2 biweekly pay periods in FY 1991-92.

Mr. Chan indicates that revenues generated by the parking lot operation were approximately \$34,000 in FY 1990-91, for net income to the City of approximately \$4,353 (\$34,000 in revenue less \$29,647 in personnel costs).

Under the proposed lease, the City would not incur costs of operating the parking lot, but would receive only 40 percent of the revenues generated. Based on the \$34,000 generated by parking lot operations in FY 1990-91, the City may expect to receive \$13,600 under the terms of the proposed lease (40 percent of \$34,000). This would be \$9,247 more than the net amount which the City received by operating the parking lot

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in FY 1990-91 (\$13,600 estimated rental payment under the proposed lease less \$4,353 net income in FY 1990-91).

5. Below is a comparison of total annual rental payments under the existing lease and expected under the proposed lease, based on revenues generated by the Tea House and Gift Shop and the tour bus parking lot in FY 1990-91. Since gift items have never before been sold from the parking lot ticket booth, no estimate can be made of the sales and rental receipts resulting from this activity. Since the sale of gift items at this location is required to be very limited in scope, Mr. Chan does not expect the revenues to be substantial.

<u>Source of Revenue:</u>	<u>Existing Lease:</u>	<u>Proposed Lease:</u>
Tea House & Gift Shop	\$161,304	\$280,000*
Tour Bus Parking Lot	4,343	13,600
Parking Lot Gift Shop	<u>0</u>	<u>**</u>
Total:	\$165,647	\$293,600

\* Based on minimum payment.

\*\* Revenue estimates from this source are unavailable.

The Budget Analyst therefore estimates that the proposed lease will generate at least \$127,953 in additional annual revenue (\$293,600 less \$165,647), which is approximately 77 percent more than the revenue generated by the existing lease.

6. As previously noted, in addition to the rental payments, the Lessee under the proposed lease would pay a minimum of \$43,400 for capital improvements to the Japanese Tea Garden. The improvements to be made are listed in an attachment to the proposed lease, but a complete list of estimated costs for these improvements is not provided. The improvements for which estimated costs are provided are the following:

<u>Improvement</u>	<u>Estimated Cost</u>
Electrical and plumbing improvements	\$25,000*
Wooden handicap ramp	3,000
New steps at Tea House	<u>4,400</u>
Total	\$32,400

\*Estimated cost ranges from \$10,000 to \$25,000.

Other improvements to be made are listed as follows:

Tea House:

Paint, apply oil, and replace awning;  
Replace wooden roof shingles as needed;  
Provide improved lighting as needed.

Gift Shop:

Replace wooden roof shingles as needed;  
Repair walls and wall covering;  
Change lighting and fixtures;  
Replace shelving and cashier counter;  
Repair flooring;  
Apply "appropriate treatment" such as  
linseed oil to exterior walls.

Mr. Chan states that no estimate has been obtained for the cost of these additional improvements. However, he notes that the proposed lease requires improvements of at least \$43,400, whereas the cost estimates so far provided total only \$32,400. This leaves \$11,000 in required improvements which can be applied to the items listed immediately above.

Mr. Chan also states that the Lessee would be responsible for these improvements regardless of their actual cost. The proposed lease states that a minimum of \$43,400 would be spent "to comply with [the] proposed improvements as delineated" in the attachment. If more than \$43,400 were needed to make the improvements, Mr. Chan states that the Lessee would be required to expend more than the stated minimum of \$43,400.

Failure to make the necessary improvements would permit the City to reduce the term of the lease to one year. Mr. Chan has submitted an amended page 6 of the proposed lease, indicating that the proposed lease has been amended to reflect that the delineated improvements must be made within one year. Prior to this amendment, no deadline had been stipulated for these improvements.

7. As previously noted, in addition to the capital improvements to be made as delineated in the proposed lease, the Lessee would remit \$15,000 per year during the first 5 years of the proposed lease and \$35,000 annually during years 6-10 of the proposed lease to an Improvement Fund for the Japanese Tea Garden, for total improvements of \$250,000. Mr. Chan indicates that this Fund would be used by the Recreation and Park Department for additional maintenance activities at the Japanese Tea Garden, especially in those parts of the Tea Garden (outdoor landscapes and structures

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June 3 , 1992

and the Tea Garden admission booth) which do not fall within the purview of the proposed lease.

**Recommendations:** 1. Approve the proposed ordinance.

2. Request the Recreation and Park Commission to submit the annual audits required under the proposed lease to the Board of Supervisors.

# JAPANESE TEA GARDEN GIFT SHOP & TEA HOUSE CONCESSION BIDS

## FINANCIAL BID COMPARISON

	MINIMUM ANNUAL	PERCENTAGE OF GROSS REVENUES		ANNUAL CONTRIBUTION		LEASEHOLD	TERM OF
	RENTAL GUARANTEE	GIFT SHOP	TEA HOUSE	OTHER	FOR IMPROVEMENTS	IMPROVEMENTS	LEASE
W/O RESTROOM MAINTENANCE	\$200,000/YR.	30.5%	30.5%	0 %	\$ 15K/YR.	\$ 43,400	5 yrs.
WITH RESTROOM MAINTENANCE	\$260,000/YR.	36.5%	36.5%	0 %	\$ 15K/YR.	\$ 43,400	+5Yrs. option*
* Bidders seek a ten (10) year lease rather than a five (5) year lease if possible. As consideration, Bidders offer to pay the Department an additional \$20,000 for each of the additional 5 years, beginning in the sixth year plus \$15,000 a year for improvements to the Tea Garden.							
In the sixth through tenth years, bidders will pay \$35,000 for much needed improvements to the Tea Garden. Bidders offer to pay an additional \$100,000 consideration over the additional 5-year term.							
W/O RESTROOM MAINTENANCE	\$200,000/YR.	33 %	33 %	33 %	\$ 25K/YR.	\$125,000	10 yrs.
WITH RESTROOM MAINTENANCE	\$185,000/YR.	31 %	31 %	31 %	\$ 15K/YR.	\$125,000	
W/O RESTROOM MAINTENANCE	\$205,001/YR.	33.18%	33.18%	0 %	\$ 15,001/YR.	\$ 35,000	5 yrs.
WITH RESTROOM MAINTENANCE	\$195,001/YR.	31.18%	31.18%	0 %	\$ 15,001/YR.	\$ 35,000	
W/O RESTROOM MAINTENANCE	\$204,120/YR.	32.1%	32.1%	32.1%	\$ 15K/YR.	\$ 18,000	5 yrs.
WITH RESTROOM MAINTENANCE	\$194,040/YR.	30.1%	30.1%	30.1%	\$ 15K/YR.	\$ 18,000	
W/O RESTROOM MAINTENANCE	\$192,500/YR.	30 %	35 %	30 %	\$ 20K/YR.	\$ 45,000	5 yrs.
WITH RESTROOM MAINTENANCE	\$192,500/YR.	30 %	35 %	30 %	\$ 20K/YR.	\$ 45,000	

Fred Lo/Peter Long

Jack Hirose

L. Nguyen/P. Chan

J. Tambara/Y. Toriumi

Deborah Heller-Israel  
National Concessions Co.



Item 16 - File 64-92-7

**Department:** Real Estate Department  
Public Utilities Commission (PUC)

**Item:** Resolution authorizing extension of one month-to-month rental agreement (see Location (1) below) and one lease of real property (see Location (2) below).

**Lessor:** University of California, Hastings College of the Law

**Utilities and Janitorial Services Provided By:** The University of California pays for gas, electricity, water, scavenger services, janitorial services and supplies.

\*\*\*\*\*

**(1) Location:** 100 McAllister Street , Rooms 404, 405, 406, and 409

**Purpose of Lease:** Office space for the PUC's Office of Safety and Health and the Manager, Bureau of Claims and Contracts.

**No. of Sq. Ft. and Cost Per Month:** 1,859 square feet @ \$1.20/sq. ft./month = \$2,223 rent/month

**Annual Cost:** Not to exceed \$26,676

**Percent Change from 1991-92:** 9 percent increase (from period July 1, 1991 - December 31, 1991); 0 percent increase (from period January 1, 1992 - June 30, 1992)

**Term of Lease:** This space is to be leased on a month-to-month basis commencing July 1, 1992, until terminated by either party upon thirty (30) days advance written notice, and not to exceed 12 months.

**Source of Funds:** PUC 1992-93 Operating Budget

\*\*\*\*\*

**(2) Location:** 100 McAllister Street , Rooms 401, 402 and 403

**Purpose of Lease:** Office space for the PUC's Bureau of Energy Conservation

**No. of Sq. Ft. and Cost Per Month:** 1,276 square feet @ \$1.45/sq. ft./month = \$1,850 rent /month

**Annual Cost:** \$22,200

**Percent Increase Over  
1991-92:** 3.57 percent

**Source of Funds:** Hetch Hetchy Funds

**Term of Lease:** July 1, 1992 through June 30, 1993

**Comments:**

1. Mr. Phil Aissen of the Real Estate Department reports that the lease of 100 McAllister Street, Rooms 404, 405, 406 and 409 was originally established on a month-to-month basis because the Bureau of Claims and Contracts was considering moving to 1155 Market Street at the time the lease was originally signed. Mr. Walter Graze of the PUC reports that the Manager of the Bureau of Claims and Contracts left her position in 1991 and this position has since been eliminated. As a result, only the PUC's Office of Safety and Health staff has occupied Rooms 404, 405, 406 and 409.

Mr. Graze further advises that the Office of Safety and Health is budgeted for a staff of nine in fiscal year 1992-93, but now has a staff of four due to the loss of two staff as a result of Proposition A (Early Retirement) and three other vacant positions. Mr. Carlos Jacobo of PUC advises that the Mayor's Budget Office has recommended that four Office of Health and Safety positions be cut for fiscal year 1992-93, which would leave only five remaining staff positions.

In addition, the Budget Analyst has examined the office space of the Office of Safety and Health and determined that it is being significantly underutilized. For a staff of five persons, the office space of 1,859 square feet represents approximately 372 square feet per person, in contrast to the 1,276 square feet of office space occupied by the Bureau of Energy Conservation, which represents approximately 160 square feet per person for a staff of eight persons. Mr. Aissen advises that the guideline which the Real Estate Department uses for gauging the amount of office space needed is that each person requires between 150 and 175 square feet of space.

Therefore, the Board of Supervisors should request that the Department of Real Estate renegotiate the month-to-month rental agreement so that only approximately 800 square feet of office space for the Office of Safety and Health (or 160 square feet x 5 staff) is rented in fiscal year 1992-93.

2. Mr. John Deakin reports that eight Bureau of Energy Conservation staff are budgeted for fiscal year 1992-93, and eight staff currently occupy office space in Rooms 401, 402 and 403. Mr. Deakin advises that the Bureau of Energy Conservation staff is funded solely through Hetch Hetchy funds.

3. The annual rent increases for the proposed two leases are pursuant to previously negotiated lease agreements, according to Mr. Aissen.

4. The Real Estate Department reports that the proposed rent for both the month-to-month rental agreement and the lease of real property represents the fair market value at the time the original leases were negotiated. Mr. Aissen reports that the monthly rental rates are different for comparable office space in the same building because of the differences in the time periods during which the original agreements were signed.

5. Mr. Aissen advises that these two lease agreements will expire after their final extensions in fiscal year 1992-93. Mr. John Deakin of the PUC's Bureau of Energy Conservation advises that the Bureau will meet with the Real Estate Department in February, 1993 and request that the Director of Property renegotiate another lease for Rooms 401, 402 and 403 with the University of California with four one year options, effective July 1, 1993. At the time of the writing of this report, the PUC's Office of Safety and Health had not yet determined whether the Office would renegotiate another month-to-month rental agreement for Rooms 404, 405, 406 and 409 or seek office space elsewhere after the end of fiscal year 1992-93.

**Recommendation:** Amend the proposed resolution to sever the authorization to extend the one month-to-month rental agreement from the one lease of real property. Request that the Real Estate Department renegotiate the month-to-month rental agreement to rent approximately 800 square feet of office space (Location 1). Approve the proposed resolution to authorize the extension of the lease of real property (for Location 2).





Item 17 - File 97-92-31

1. The proposed ordinance would add Section 8.33 to the City's Administrative Code, authorizing the County Clerk to increase fees otherwise set by State law to reflect the actual cost of providing certain records and services.

2. State Government Code Sections 54985 through 54987 state that the County Clerk is authorized to charge fees to defray the actual cost of issuance of the following documents and provision of the following services, notwithstanding the fees otherwise set or limited by State law. The schedule of proposed fees is as follows:

**Projections of Cost-Recovery from Fees**

<u>Item</u>	<u>FY 1991-92 Estimated Units of Service</u>	<u>Present Fee</u>	<u>FY 1991-92 Estimated Revenues</u>	<u>Proposed Fees</u>	<u>Estimated Annual Income Based On Proposed Fees</u>	<u>Estimated Additional Annual Income</u>
Fictitious business names (FBN)	11,400	\$10	\$114,000	\$20	\$228,000	\$114,000
FBN abandonments and withdrawals	420	\$5	2,100	\$13	5,460	3,360
Additional FBN parties	2,300	\$2	4,600	\$5	11,500	6,900
Notary bonds	1,800	\$11	19,800	\$21	37,800	18,000
Marriage license (reg.)	5,900	\$35	206,500	\$60	354,000	147,500
Confidential marriage certificate	2,200	\$41	90,200	\$60	132,000	41,800
Copies of official records	200,000	\$0.50	100,000	\$0.75	150,000	50,000
Marriage ceremonies	3,000	\$15	45,000	\$20	60,000	15,000
Records file search (per year searched)						
a. Mail requests	4,800	\$1.75	8,400	\$4	19,200	10,800
b. Counter service	1,300	no fee	0	\$4	5,200	5,200
Power of Attorney	400	\$3.50	1,400	\$10	4,000	2,600
Totals	233,520	_____	\$592,000	_____	\$1,007,160	\$415,160

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. The current fees charged by the County Clerk are those stated in State Government Code Sections 54985 through 54987 and, according to the City Attorney's Office most of the fees have not been raised since 1979.

### Comments

1. During FY 1990-91 the County Clerk commissioned Northern California Research Associates (NCRA), a private consulting firm, to complete a cost-recovery study of the County Clerk's fee structure. This study evaluated personnel costs, indirect costs, overhead, supervision, and equipment. The result was a determination that the current fees did not recapture, as allowed for by State law, all of the costs associated with providing non-judicial services to the public. The proposed fees would result in the full recovery of all of the County Clerk's costs of providing each specific service to the public.

2. Included in the NCRA study was a survey of fees and charges for County Clerk services in seven other California counties. The seven counties included in the survey were Contra Costa, Marin, Santa Barbara, Santa Clara, Santa Cruz, San Mateo, and Stanislaus. San Francisco's current fees and charges, on average, are the lowest of the eight counties. The proposed fees and charges would raise San Francisco to fourth when compared to the other surveyed counties.

3. Ms. Barbara Soloman of the City Attorney's office states that the proposed fee increases would not be enacted until 30 days after the ordinance is signed by the Mayor. Because the Mayor could not sign the proposed ordinance before June 16, 1992 (and, therefore, the proposed fees could not be increased before July 16, 1992) the estimated revenues for FY 1992-93 could be slightly lower than estimated above.

### Recommendation

Approve the proposed ordinance because the State Government Code permits charging the actual cost of providing certain records and services and the Superior Court has determined that the proposed increases would result in the recovery of all County costs for providing each specific service to the public.

Item 18 - File 198-92-1

1. The proposed resolution would authorize an increase in the fees charged for investigations in conservatorship cases from \$210 to \$384 per case as provided by State Probate Code Section 1851.5. State Probate Section 1851.5 authorizes the Superior Court of the City and County of San Francisco to order conservatee estates to reimburse the County for the cost of investigations.

2. Court investigators conduct thorough reviews of conservatorship cases to determine (a) if individuals should have their estates managed by a Court-appointed conservator, (b) who should serve as conservator, and (c) to evaluate annually whether appointed conservators are serving the interests of conservatees.

3. The Superior Court has conducted an analysis of the actual cost in Fiscal Year 1991-92 of conducting conservatorship investigations, which are shown below:

Personnel		\$394,329
Administrative Costs		33,693
Professional & Contractual Services		<u>17,176</u>
Total		\$445,198
<u>Cost of All Investigations</u>		= Investigation Cost Per Unit
Investigations Completed in FY 1990-91		
	<u>\$445,198</u>	= \$384 Cost Per Investigation
	1,158	

4. Ms. Kate Harrison of the Superior Court reports that the Superior Court collects fees for approximately 60 percent of investigated conservatorship cases. Therefore, the fee increase of \$174 (or 83 percent) from \$210 to \$384 per case, based on FY 1990-91 activity levels of 695 collected cases (1,158 cases x 60 percent), would result in additional estimated annual revenues of \$120,930 (695 x \$174). These fees are paid from proceeds of the Conservatees' estates.

5. Ms. Barbara Soloman of the City Attorney's Office states that the proposed increase in conservatorship investigation fees would occur 30 days after the resolution is signed by the Mayor. Because the Mayor could not sign the resolution before June 9, 1992 (and, therefore, the investigation fees would not be increased before July 9, 1992), the estimated revenues for FY 1992-93 could be slightly reduced.

Recommendation

Approve the proposed resolution because the State Probate Code permits charging the actual cost of investigating conservatorship cases and the Superior Court has determined that the proposed fee increase would result in the full recovery of all County costs for conducting conservatorship investigations.



Item 19 - File 168-92-2

1. The proposed resolution would indicate the Board of Supervisors concurrence with the joint recommendations of the Recreation and Park Commission and the City Planning Commission concerning expenditure of the fiscal year 1992-93 Open Space Acquisition and Park Renovation Fund, with the reservation by the Board of Supervisors to approve or disapprove any specific acquisitions as provided in the 1992-93 Open Space Budget.

2. Under the provisions of Section 6.413 of the Charter, an annual tax of 2.5 cents per hundred dollars of assessed property valuation is imposed for the Open Space Fund for a period of fifteen years. Fiscal year 1989-90 constituted the fifteenth and last year of this program, which began in 1974. However, in November of 1988, San Francisco voters approved Proposition E which extended the Open Space Acquisition and Park Renovation Fund an additional fifteen years beginning July 1, 1990. Monies for this Fund come from the 2.5 cent property tax rate. Not more than 40 percent of the Fund can be used for maintenance of properties previously acquired. The remaining money in the Fund is spent as follows: (1) at least 40 percent for acquiring and developing property; (2) at least 15 percent for renovation; (3) not more than 25 percent for maintaining property and recreational facilities acquired after FY 1990-91, for programs other than for After-School Recreation programs, and for administration; and (4) at least 20 percent for After-School Recreation programs.

3. The table below shows property tax revenues (plus interest) that have accrued to the Open Space Fund.

<u>Fiscal Year</u>	<u>Open Space Revenues</u>
1975-76	\$2,637,972
1976-77	3,029,297
1977-78	3,414,149
1978-79	3,032,083
1979-80	1,900,000
1980-81	4,879,215
1981-82	5,353,834
1982-83	6,098,608
1983-84	6,810,960
1984-85	7,404,364
1985-86	8,572,212
1986-87	9,261,331
1987-88	10,091,185
1988-89	14,342,299
1989-90	14,834,937
1990-91	14,429,929
1991-92	15,293,750
1992-93	<u>16,000,000 *</u>
Total	\$147,386,125

\* Budgeted

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



The Recreation and Park Department estimates that unappropriated revenues in the Open Space Fund will total \$357,000 as of June 30, 1993. According to Mr. Phil Arnold of the Recreation and Park Department (RPD), the unappropriated revenues consist primarily of interest from prior years.

4. The Recreation and Park Department's proposed 1992-93 budget includes the following expenditures from the Open Space Fund (see attachment for budget details):

	<u>Amount</u>	<u>Percent of Total Fund</u>	<u>Percentage of Remainder of Fund</u>
Total Park and Open Space Fund	\$17,500,000 *	100.0%	
Maintenance of Previously Acquired and Developed Properties	<u>6,400,000</u>	37.0	
Remainder of Fund	<u>11,100,000</u>	64.0	
Acquisition and Development of Property	7,010,000	40.0	63.15%
Renovation	1,590,000	9.0	14.32
Administration	600,000	3.0	5.41
After-School Program	<u>1,900,000</u>	<u>12.0**</u>	<u>17.11</u>
Total allocation of 1992-93 projected revenues	<u>\$11,100,000</u>	<u>64.0</u>	<u>100.0</u>

\*The allocation for the 1992-93 Open Space program is approximately \$16 million. In addition, a one-time allocation of \$1.5 million is available from interest accrued from previous years for a total budget of \$17.5 million.

\*\*With the exception of the After School Program, each category percentage of the total expenditure is based on the 17.5 million total budget. The After School Program percentage is based on the \$16 million figure because the interest accrued came from years prior to the establishment of this program.

### Comments

1. As noted above, based on information outlined in the spending plan for the total Program Budget of \$17,500,000, the percentage of the Fund proceeds to be expended for acquisition and development of property (at least 40 percent of the Remainder of the Fund) in 1992-93 conforms to Charter provisions. However, the percentage of the Fund proceeds to be expended for Renovation (at least 15 percent of Remainder of the Fund and for the After-School Program (at least 20 percent of the Remainder of the Fund) do not conform to Charter provisions.

2. As noted above, not more than 25 percent of the remaining funds can be allocated for (1) maintaining property and recreational facilities acquired after FY 1990-91, (2) for programs other than After-School programs, and (3) for administration. The RPD has budgeted \$600,000 (3.0 percent of the total fund) for administration purposes and \$120,000 for a transportation program aimed at providing free transportation to youths and seniors to the City's recreational facilities (funds are included in the Acquisition and Development of Property category). The RPD is not specifically required to allocate funds to all three programs. The RPD has not allocated funds for maintenance of recreational facilities acquired after FY 1990-91 because it is anticipated that any properties acquired by RPD after 1990-91 will not require maintenance in 1992-93. Thus far, the RPD has acquired only one Open Space property since 1990-91, which is undeveloped land that would not require maintenance.

3. Mr. Arnold reports that contrary to the information provided in the 1992-93 spending plan submitted to the Board of Supervisors, \$1.5 million of the total \$17.5 million represents a one-time only allocation of prior-year funds which is separate from the \$16,000,000 allocated for the 1992-93 program. As such, according to Mr. Arnold, the allocation formula as mandated by Proposition E should be applied to the \$16,000,000 allocation only. Based on the \$16,000,000 allocation, the Recreation and Park Department's 1992-93 amended allocation would include the following expenditures from the Open Space Fund:

	<u>Amount</u>	<u>Percent of Total Fund</u>	<u>Percentage of Remainder of Fund</u>
Total Park and Open Space Fund	\$16,000,000	100.0%	-
Maintenance of Previously Acquired and Developed Properties	<u>6,400,000</u>	<u>40.0</u>	-
Remainder of Fund	<u>9,600,000</u>	60.0	-

	<u>Amount</u>	<u>Percent of Total Fund</u>	<u>Percentage of Remainder of Fund</u>
Acquisition and Development of Property	\$5,510,000	34.4	57.4%
Renovation	1,590,000	9.9	16.6
Administration	600,000	3.7	6.2
After-School Program	<u>1,900,000</u>	<u>12.0</u>	<u>19.8*</u>
Total allocation of 1992-93 projected revenues	<u>\$9,600,000</u>	<u>60.0</u>	<u>100.0</u>

\*Rounded up equals 20 percent.

4. Mr. Arnold advises that the 1992-93 spending plan will be modified to reflect the above noted expenditures based on \$16,000,000 and that a copy of the modified plan will be included in the file. The modified spending plan would concur with the provisions of Proposition E. According to Mr. Arnold, such a modification does not require approval by the Recreation and Park Commission.

5. The proposed resolution provides that the Board of Supervisors concurrence is made with the joint recommendations of the Recreation and Park Commission and the City Planning Commission concerning proposed 1992-93 Open Space expenditures, with the reservation that the Board of Supervisors may approve or disapprove any specific acquisitions for which funding might be provided in the 1992-93 Open Space budget.

#### Recommendation

Approve the proposed resolution.

A. AFTER SCHOOL PROGRAM

\$ 1,900,000 (12 %)

After school programs have been established at the following sites:

Alamo School Yard, Aptos Middle School Gym, Alvarado School Yard, Luther Burbank, Duboce Park, Sir Francis Drake, Francisco, Francisco Middle, Bret Harte, Hawthorne, Hillcrest Schoolyard, Guadalupe School Yard, Lafayette School Yard, Hillcrest, Horace Mann, Jefferson, Marshall, Larsen, Jean Parker, Lawton, George Peabody, Lincoln, Plaza East, Monroe, Redding, Jose Ortega, Roosevelt, Ping Yuen, Paul Revere, Spring Valley, Junipero Serra, Starr King, Sutter Playground, Visitation Valley Gym, Commodore Stockton, Visitation Valley School Yard and Raphael Weill.

B. ACQUISITION AND DEVELOPMENT \$7,010,000 (40%)

The following is a list of projects recommended for funding in 1992 - 1993. A more detailed description of the scope of each project, along with a list of projects that were proposed but not funded, can be found in the Project Request Summary starting on page 5.

Washington-Hyde Park	\$ 250,000
Chinatown Park	750,000
St. Mary's Park	500,000
Tenderloin Rec Center	900,000
Richmond Rec Center	690,000
South of Market Park	800,000
Natural Areas Acquisition	1,615,000*
Mission District Park Acquisition	750,000
2460 Harrison	135,000
Real Estate Department	100,000
City Attorney	100,000
Community Gardens	50,000
Transportation Program	120,000
Neighborhood Reforestation	250,000
Total Acquisition and Development	\$ 7,010,000

\*The Committee voted to recommend the designation of Hawk Hill, O'Shaughnessy Hollow and portions of Bayview Hill as Significant Natural Areas.

## C. RENOVATION: \$1,590,000 (9%)

Alioto Mini Park (design)	\$ 30,000
Bernal Heights Gym	150,000
Chinese Playground	100,000
Fencing	80,000
Folsom Playground	450,000
Disabled Access	50,000
Hayes Valley Clubhouse	50,000
Hazardous Materials Abatement	60,000
Japanese Peace Plaza	50,000
Security Lighting	80,000
Potrero Hill Rec Center	100,000
Randall Museum	20,000
Twin Peaks Regional Trail	100,000
West Portal Playground	100,000
GGP Panhandle Playground	50,000
GGP Bandshell	20,000
Visitation Valley Clubhouse	100,000

## D. PLANNING AND ADMINISTRATION \$600,000 (3%)

Salaries	\$ 299,916
Fringe Benefits	72,384
Contractual Services	189,000
Auto Mileage	1,000
Telephone	6,100
Supplies	4,100
Equipment	5,000
Services to Other City Depts.	22,500

Total Administration \$ 600,000

## E. MAINTENANCE OF PREVIOUSLY ACQUIRED OPEN SPACE \$6,400,000 (37%)

Salaries	\$4,207,645
Holiday Pay	8,362
Temp Salaries	117,370
Fringes	1,121,121
Standardization	440,517
Auto Mileage	2,500
Contractual Services	146,280
Telephone	9,200
Supplies	144,800
Equipment	120,450
Workers Compensation	81,755

Total Maintenance \$6,400,000

Item 20 - File 245-92-1

- Department:** Controller
- Item:** Ordinance creating and authorizing expenditure of monies in Employees' Salary-Waiver/Gift Fund, providing for nondisclosure of identify of donors and findings.
- Amount:** Unknown, depending on the amount contributed by City officers and employees (see Comment No. 5).
- Source of Funds:** Employee contributions through waiver or donation of portions of their salaries for fiscal year 1992-93.
- Description:** City officers and employees are currently authorized to waive or make a gift to the City of all or part of their wages. The proposed ordinance would appropriate the wages that are donated by the employee after they are paid, or the amounts equal to wages that would have been paid if not for the waiver, provided that the officer or employee does not designate the purpose for which donated wages may be expended. Except where the employee specifies the purpose of the salary contribution, the proposed ordinance would appropriate the donated or waived wages for the operation of the department where the employee's services were performed.
- The proposed ordinance also creates a special fund for receipt of these waivers and donations, authorizes the Controller to accept such waived or donated wages on behalf of the City, directs the Controller to prepare information and forms which may be necessary to inform and enable employees to make such donations, and provides that the Controller shall maintain the confidentiality of all information concerning the identity of those employees who contribute their wages and the amounts of their donations.
- Comment:**
1. According to the City Attorney, officers and employees of the City are currently authorized to waive or donate to the City all or part of their wages. The proposed ordinance would create a special fund, the Employees' Salary-Waiver/Gift Fund, for receipt of such donation and waiver contributions.
  2. According to a May 14, 1992 memorandum prepared by the Controller and issued through the Office of the Mayor and the Board of Supervisors, employees were asked to waive all or part of their salary increase for fiscal year 1992-93, or to receive the salary increase and then to donate some portion of



their salary back to the City. The memorandum points out important differences in the treatment of waivers and donations.

**Waivers** of portions of an employee's salary are described as being generally exempt from income tax liability, since the portion of the salary which is waived would not be included in the employee's gross annual income and therefore would not appear on his or her Form W-2. However, the Controller advises any employee to consult with a tax expert regarding his or her particular circumstances. Portions of an employee's salary which are waived will not be included in the City's calculation of the employee's retirement and death benefits, although the Controller states that "the retirement calculation is only of importance if this year [1992-93] will be used in calculating your retirement pension." The Controller also notes that, "due to IRS rules," the employee cannot designate how the funds will be spent if the contribution results from a waiver. The proposed ordinance would appropriate contributions received through an employee waiver to the Department in which the employee's services were performed.

**Donations** contributed by an employee after the salary has been paid to the employee are subject to income taxes, using standard withholding formulae, but they may be made as lump sum payments or as payroll deductions. According to the Controller, the Charter requires that donations be used only for the purposes specified by the donor. Employees are therefore permitted to designate the General Fund, their own department, or a specific program as the recipient of their donation. The proposed ordinance would appropriate any donations to the Department in which the employee's services were performed, unless the donor designates a specific purpose. Donations contributed after the salary is paid to the employee will have no effect on the calculation of retirement or death benefits, according to the Controller.

3. The Controller's memorandum also indicates that in the case of salary waivers, a distinction exists between salaries paid from the General Fund or from some other source. The Controller indicates that if the salary is paid from the General Fund, a waiver would result in full savings by the City of the amount waived. However, if the salary is funded from a source which reimburses the City only for actual expenditures, a waiver could cause the grantor of the funds to retain these funds, because there would be no salary expenditure for the amount waived. Therefore, the employee would need to accept the salary and make a donation in order

for the City to benefit from the employee's action, according to the Controller.

4. The Controller has prepared a Waiver Form and a Donation Form to be used by employees wishing to waive or donate part of their salaries for fiscal year 1992-93, and indicates that the information required for either type of contribution must be provided to the Controller's Office no later than June 15, 1992. Mr. John Madden of the Controller's Office indicates that the memorandum was distributed to department heads and senior staff in mid-May.

5. Mr. Madden indicates that estimated revenues associated with the Salary-Waiver/Gift Fund have not been included in the Mayor's proposed budget for fiscal year 1992-93, since it is not yet possible to ascertain the amount of revenue which will be generated through employee salary waivers or donations. Mr. Madden states that estimates of these revenues can be added during budget hearings (since they will result in a net reduction of the budget), subsequent to the June 15 deadline for submission of employee Waiver or Donation Forms to the Controller's Office and the tabulation of these forms by the Controller's Office. Mr. Madden states that the June 15 deadline was established in order to permit these calculations to be included in the City's final 1992-93 budget. Therefore, the appropriation of these funds by the Board of Supervisors will occur when the final 1992-93 budget is adopted, according to Mr. Madden.

6. Controller Ed Harrington states that the salary waiver and gift funds which would be appropriated to the Departments by the proposed ordinance are expected to offset the higher levels of departmental salary savings budgeted for fiscal year 1992-93. To the extent that waived or donated salary contributions are thereby "saved" by each Department, other salary savings budgeted for 1992-93 would not have to be imposed. Thus, the funds would assist the Departments in meeting their budget targets, and would not result in additional revenues which the Departments could expend at their discretion. Mr. Harrington states that any use of the monies by the Departments other than to offset salary savings, as budgeted for 1992-93, would require the prior approval of the Board of Supervisors through a specific appropriation request.

The Budget Analyst believes that the proposed legislation may limit the Board of Supervisor's authority to appropriate these funds at a later date. The proposed ordinance states that the purpose and effect of the proposed legislation would be to appropriate salary waivers and donations to the

Department of the employee making the waiver or donation. Such an appropriation is therefore distinct from the appropriations made to Departments by the Board of Supervisors during budget hearings or upon the specific request of a Department through a supplemental appropriation. The proposed ordinance instead would appropriate funds, the amounts of which have not yet been ascertained, prior to budget hearings or departmental appropriation requests, and without a separate review by the Board of Supervisors.

The Budget Analyst therefore recommends that the proposed ordinance be amended so that it would not appropriate funds, but would only designate that funds will be used for the benefit of the Department of the employee making the waiver or the donation. For instance, if an employee of the Public Library waived part of her salary, the proposed ordinance would ensure that these funds would be appropriated to the Public Library. However, the actual appropriation of the funds to the Public Library for the specific use should occur during budget hearings or by subsequent action of the Board of Supervisors.

7. Mr. Madden advises that some waivers and donations of employee salaries have been made in prior years, primarily through the Office of the Mayor, but that no figures are available to indicate the amount of such waivers or donations which were made in prior years.

**Recommendation:** 1. Amend the proposed ordinance on page 1, lines 17-21 as follows:

Where it now reads:

"It is the purpose of this ordinance **to appropriate** wages that would have been paid but for a waiver, and **to appropriate** wages donated to the City by its officers and employees, except where an officer or employee has designated the purpose for which donated wages may be expended."

Substitute:

"It is the purpose of this ordinance **to specify** that wages that would have been paid but for a waiver, and **to appropriate** wages donated to the City by its officers and employees, **shall be appropriated by the Board of Supervisors**, except where an officer or employee has designated the purpose for which donated wages may be expended."

2. Amend the proposed ordinance on page 2, lines 5-7, as follows:

Where it now reads:

"... all donated and waived wages deposited in this fund **are appropriated and shall be expended** for the operation of the department in which the services generating the waived or donated wages were rendered."

Substitute:

"... all donated and waived wages deposited in this fund **shall be appropriated by the Board of Supervisors and expended** for the operation of the department in which the services generating the waived or donated wages were rendered."

3. Approval of the proposed ordinance is a policy matter for the Board of Supervisors.





Items 21 and 22 - File 121-92-2 and 121-92-2.1

**Note:** These items were transferred from the City Services Committee meeting of May 5, 1992 as they were determined to have a fiscal impact.

1. The proposed ordinance (File 121-92-2) would amend the San Francisco Administrative Code by amending Chapter 4 thereof by adding Section 4.20 thereto to prohibit advertising of tobacco products on City-owned property or under the control of the City. The proposed ordinance (File 121-92-2) would apply to all leases, permits or agreements awarded by the City. There are also existing leases, permits and contracts in which the City has authorized advertising that could include the advertising of cigarettes and tobacco products. The proposed ordinance (File 121-92-2) may not be immediately effective in regulating activities under these current leases, agreements and permits if the prohibition of advertising of cigarette and tobacco results in the City not fulfilling its contractual obligations.

2. The proposed companion resolution (File 121-92-2.1) would urge the Mayor to request all City boards, commissions, and departments to request individuals and entities currently enjoying advertising rights on City property to stop advertising cigarettes and tobacco products and to renegotiate leases, permits and agreements to ban advertising of tobacco and cigarette products. The proposed resolution (File 121-92-2.1) would also find that the Board of Supervisors has adopted the proposed companion ordinance (File 121-92-2) to ban advertising of cigarettes and tobacco products on City-owned properties.

3. Ms. Alyonik Hrushow of the Department of Public Health's (DPH) Tobacco Control Project reports that the major City properties, which contain tobacco advertising, are Candlestick Park, and transit-related advertising done on transit shelters.

4. A memo from Mr. Phil Arnold of the Recreation and Park Department to the Recreation and Park Commission, dated April 29, 1991, indicated that at Candlestick Park there are six advertising panels, including the large one on the scoreboard, which advertise cigarettes. Mr. Arnold wrote that Philip Morris (Marlboro) pays an annual fee of \$250,000 for these signs, and the City receives 65 percent of this fee, or \$162,500 annually. Mr. Jim Moran of Professional Sports Marketing, the City's agent for advertising at Candlestick Park, indicated that because of Federal requirements which prohibit tobacco companies from direct advertising on television, it would be difficult to market the scoreboard space to another client for an annual fee equal to Philip Morris' fee. In addition, Mr. Tim Lillyquist of the Recreation and Park Department reports that the City also receives revenues from various events held at Candlestick Park which are sponsored by tobacco companies, (e.g. soccer matches) where temporary tobacco advertising is displayed. For example, Mr. Lillyquist notes that one tobacco company-sponsored sporting event, the "Mickey Thompson Event" during FY 1990-91, generated approximately \$30,000 in revenues for the Candlestick Park Fund.



5. The Recreation and Park Commission approved a resolution in May, 1991 which restricts tobacco advertising at Candlestick Park. However, this resolution does not affect existing tobacco advertising contracts at Candlestick Park. The existing contract between Professional Sports Marketing, the City's agent for advertising at Candlestick Park, and Philip Morris expires on January 15, 1998. Therefore, this Recreation and Park Commission imposed restriction would not begin until 1998. In addition, temporary cigarette advertising, such as for soccer matches, would not be restricted by this resolution passed by the Recreation and Park Commission. Temporary advertising at these events are subject to approval of the Commission on a case-by-case basis. However, as previously noted, the Board of Supervisors' proposed resolution (File 121-92-2.1) would urge the Mayor to urge the Recreation and Park Commission and Department to renegotiate their existing leases, permits and agreements and urge the Commission and Department to stop any future cigarette or tobacco product advertising.

6. The Public Utilities Commission's (PUC) existing transit advertising agreement on MUNI buses, with Transportation Displays Incorporated (TDI) already provides that the "Contractor agrees not to accept any material for transit advertising...promoting the use of tobacco products, including cigarettes, cigars and chewing tobacco, or liquor, including beer, wine and spirits." Therefore, there would be no revenues lost by the City from banning such advertising. The City will receive a minimum annual payment of approximately \$1.7 million from TDI under the existing advertising contract with TDI in FY 1991-92. However, the minimum annual payment for FY 1992-93 reduces to \$1.55 million, a reduction of \$150,000. Mr. Jerry Levine of the PUC reports that this decrease is to allow TDI to recoup any revenue losses from the previously agreed upon ban on cigarette and alcohol advertising. The minimum annual payment for FY 1993-94 resumes to approximately \$1.7 million, and escalates annually thereafter for inflation. This contract began on July 1, 1991 and expires on June 30, 1996.

7. As specified in the PUC's existing transit shelter agreement with Gannett Outdoor Company, Inc. of Northern California, there are approximately 1,000 transit shelters in the City, approximately 650 of which are designated as commercial transit shelters for advertising purposes, the remaining approximate 350 shelters are designated for non-commercial purposes. Under this contract, "the advertising transit shelters shall be the property of the contractor (Gannett)." The transit shelter agreement does provide that Gannett "agrees to remove promptly, upon written demand by the General Manager (PUC), any advertisement deemed to be objectionable, on the stated grounds which shall be reasonable." However, Mr. Jim Lowe of the PUC reports that the intent of this clause is to enable the City to require Gannett to remove individual advertisements which may be viewed as offensive. According to Mr. Lowe, this clause probably would not apply to the City requiring a ban on tobacco advertising unless there were individual ads which the City deemed objectionable. Therefore, the existing contract does not specifically prohibit tobacco product advertisements on transit shelters. The transit shelter agreement expires in 2002. Mr. Lewis Lillian of the Gannett Transit Shelter Company (Gannett Outdoor Company, Inc. of Northern California) reports that under the existing transit shelter agreement,

the City currently receives a minimum annual payment from Gannett from all transit shelter advertising of approximately \$175,000. In addition, Gannett pays the City \$50,000 annually for the Market Street Arts Maintenance Fund for the maintenance and restoration of public art on Market Street.

8. In a memo dated February 19, 1992 from Mr. Lillian to the City Services Committee, Mr. Lillian indicated that as part of the transit shelter agreement, Gannett has installed the 1,000 transit shelters within the City at an estimated cost of approximately \$10 million, and an annual maintenance cost of approximately \$1 million. Mr. Lillian stated that "Gannett entered this (transit shelter) contract specifically relying on the availability of revenues from tobacco and alcohol advertisers." In addition, Mr. Lillian stated that Gannett has voluntarily eliminated all tobacco and alcohol advertising within 500 feet from schools, hospitals, churches, playgrounds and public meeting places. Based upon information provided by MUNI, this voluntary elimination of all tobacco and alcohol advertising by Gannett applies to 206 of the approximate 650 transit shelters (approximately 32 percent) designated as commercial advertising shelters for advertising purposes.

9. As noted, the proposed ordinance (File 121-92-2) would prohibit advertising of tobacco products on City-owned property or under the control of the City, however, the transit shelters are the property of Gannett. According to Ms. Barbara Solomon of the City Attorney's Office, because these shelters are located on public sidewalks, the proposed ordinance (File 121-92-2) and the proposed resolution (File 121-92-2.1) would apply to the advertising transit shelters, even though the transit shelters are owned by Gannett. The existing contract with Gannett authorizes advertising that could specifically include the advertising of cigarettes and tobacco products, and therefore, the proposed ordinance (File 121-92-2) would not apply to the existing contract because it would result in the City not fulfilling its contractual obligations, but rather it would apply to future transit shelter agreements. However, the proposed resolution (File 121-92-2.1) would urge the Mayor to request the Public Utilities Commission to request individuals and entities currently enjoying advertising rights on City property to stop advertising cigarettes and tobacco products. Therefore, the proposed resolution (File 121-92-2.1) would urge the Mayor to request the Public Utilities Commission to attempt to renegotiate the existing transit shelter agreement with Gannett to ban advertising of tobacco and cigarette products.

10. As noted, Gannett reportedly entered this contract specifically relying on the availability of revenues from tobacco and alcohol advertisers. In addition, Mr. Lillian stated that "the City has already received the major part of its consideration for this contract" by Gannett providing the City with the installation of 1,000 transit shelters, and "there are no foreseeable advertisers available to make up the revenues currently obtained from tobacco and alcohol advertisers." Mr. Lillian estimates that Gannett receives approximately \$860,000 annually in revenues from tobacco advertising. For these reasons, Mr. Lillian anticipates that litigation would result if the City attempts to ban cigarette advertising under the existing transit shelter agreement.

11. Ms. Hrushow reports that 90 percent of all new smokers are children and adolescents. Ms. Hrushow also reports that tobacco advertising is effective in recruiting children and adolescents to smoke whether or not intentionally. According to Ms. Hrushow, as reported in the Journal of the American Medical Association (JAMA) in December, 1991, the "Old Joe Camel" advertising campaign increased the proportion of illegal minors purchasing Camels from 0.5% to 32.8% in just three years. The revenues lost to the City due to the banning of tobacco advertising may be offset by the benefit of preventing some initiation of smoking behavior by youth. Based on data provided by the California Department of Health Services, Ms. Hrushow estimates that if the number of smokers in San Francisco decreased by one percent or by 1,712 estimated smokers (estimated total of 171,230 smokers in San Francisco), a total estimated cost savings of \$2,347,152 would result (\$1,371 annual average cost per smoker). This estimated savings assumes there would be reduced costs associated with medical care, loss of productivity due to illness, disability and death, and represents the total estimated cost savings and not only those costs which the City would incur.

12. On May 5, 1992, the City Services Committee approved the proposed ordinance (File 121-92-2) and resolution (File 121-92-2.1).

**Recommendation**

Approval of the proposed ordinance (File 121-92-2) and the proposed resolution (File 121-92-2.1) are policy matters for the Board of Supervisors.

Item 23 - File 170-92-4

**Note:** This item is presently being revised by the Budget Analyst.

**Proposed Action:** The proposed resolution would determine and declare that the public interest and necessity demand the acquisition, construction, or reconstruction by the City and County of the following municipal improvements, to wit: to provide loans or grants for the seismic strengthening of Unreinforced Masonry Buildings (UMBs) for affordable housing and market-rate residential and commercial purposes; that the estimated cost of \$350 million for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of bonded indebtedness; provided, however, that no more than \$45 million of this authorization shall be sold in any one fiscal year.

**Amount:** \$350 million

**Description:** The State of California has enacted legislation that requires all localities to identify UMBs and to establish a program to mitigate the hazards of UMBs resulting from a major earthquake. The State will not reimburse the City for the costs of the program. Ms. Judy Boyajian of the City Attorney's Office reports that, according to State law, should the City not implement a seismic strengthening program by January 1, 1993, the City would then be precluded from implementing any such seismic strengthening program for commercial UMBs that is less restrictive than State-imposed requirements. The State law does not apply to retrofits of residential UMBs.

To address the hazards of UMBs, a Task Force on Unreinforced Masonry Buildings, appointed by the Chief Administrative Officer (CAO), has been meeting regularly for the past five years to develop a seismic strengthening program for UMBs. The activities of the Task Force have resulted in a proposed Seismic Strengthening Program, as described below. The goals of the Seismic Strengthening Program are to retrofit the maximum number of UMBs in order to protect lives and to preserve affordable housing, jobs, neighborhood characters, and historically significant buildings.

The City's proposed Seismic Strengthening Program is delineated in proposed new sections for the City's Building Code. The proposed Chapter 14, titled "Earthquake Hazard Reduction in Unreinforced Masonry Bearing Wall Buildings," covers the scope of the proposed UMB Program,

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general compliance requirements, and the administration of the Program. The proposed new Chapter 15, titled "Seismic Strengthening Provisions for Unreinforced Masonry Bearing Wall Building," contains the technical requirements for seismic strengthening of unreinforced masonry bearing wall buildings.

The major general provisions of the proposed UMB Program are as follows:

a. Residential unreinforced masonry buildings containing less than five dwelling units or guest rooms and used solely for residential purposes would be exempted from the UMB Program.

b. The Superintendent of the Bureau of Building Inspection would be required to issue an order to the owner of each building within the scope of the UMB Program to initiate UMB retrofit actions. The order would contain a copy of the proposed Chapters 14 and 15 of the Building Code, a commentary on these chapters, a sample inventory form and an engineering report summary form. The owner or the owner's agent may appeal the Superintendent's order to the Board of Examiners.

c. The owners of UMBs in receipt of the Superintendent's order would be required to have a structural analysis of the UMB performed, and if the building does not meet the minimum standards specified in the Building Code, except as provided for in the proposed UMB Program, the owner must have the building structurally altered to conform to such standards or have the building demolished. The results of the structural analysis, complemented by an inventory form, a risk assessment, and an engineering report that details applicable retrofit requirements, all within specified time limits that are dependent on the UMB's assigned level of risk, would be submitted to the Bureau of Building Inspection.

d. This proposed legislation does not require alteration of existing electrical, plumbing, mechanical, fire protection or life-safety systems that are in compliance with the respective codes in effect at the time of their original legally permitted construction or installation.

e. Section 1509(b), which would be a part of the newly created Chapter 15 of the San Francisco Building Code, describes the minimum standards to be applied to UMB structures. Buildings with sufficient mortar strength and crosswalls

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may upgrade to a "Bolts Plus"<sup>1</sup> level if other described weaknesses are addressed. Assembly, educational and institutional buildings, those with rigid floor systems, those over six stories tall (Building Code occupancy classifications A, E and I), and those with remaining deficiencies, must upgrade to Uniform Code for Building Conservation (UCBC) standards.<sup>2</sup> Retrofit beyond the level described in Section 104(f) of the existing San Francisco Building Code will not be required.

f. The implementation of the proposed Seismic Strengthening Program is conditioned upon the City's voters passing a proposed \$350 million General Obligation, which would be used to partially mitigate the cost of the seismic strengthening work. All seismic upgrading would be required to be completed within 13 years of passage of this \$350 million General Obligation bond proposal.

The Task Force estimates that the cost of retrofitting the City's approximately 2,000 UMBs to make them seismically safe is \$450 million. According to Mr. David Prowler of the CAO's Office, an estimated 78 of the approximately 2,000 UMBs would not be subject to the provisions of the seismic strengthening program because they are residential UMBs containing less than five units. Although the estimated cost is \$450 million, this proposed legislation would only provide financing for \$350,000.

The proposed General Obligation bond issue in the amount of \$350 million would provide funds for the acquisition, construction, or reconstruction of privately owned UMBs. The proposed bond program would provide financial assistance in the form of loans to owners of UMBs. The \$350 million loan principle plus interest would be paid off by loan payments made by UMB owners and by property taxes. Item 24, File 246-92-1 of the June, 1992, Finance Committee calendar, is a hearing to consider the creation of a Special Assessment District to finance the seismic retrofit of UMBs. The hearing sponsor reports that the development of a Special Assessment District could be an alternative to issuing General Obligation bonds or could be used to supplement such bonds.

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<sup>1</sup> The "Bolts Plus" retrofit level requires anchoring walls to floors and roofs plus measures to strengthen walls.

<sup>2</sup> The UCBC retrofit alternative requires supplementing the Bolts Plus alternative by strengthening other building elements including floors, roofs, and walls. In some cases, new reinforced masonry or concrete walls, or shotcrete (sprayed concrete) over existing walls may be needed.



Property owners would pay the majority of the seismic strengthening costs. The eligible uses of bond loan monies would be for construction costs, the costs of other Building Code requirements that are caused by the seismic strengthening work, including handicapped accessibility modifications, and costs, such as architects' and engineers' fees, that are associated with construction work.

The UMB Task Force estimates that the proposed \$350 million bond authorization would be allocated as follows:

	<u>Amount in Millions</u>
Apartment building and residential hotels that provide affordable housing (50 percent of the floor space is devoted to residential use and 60 percent of the units are affordable for persons with incomes that are 80 percent of median)	\$150
Market rate residential properties and nonresidential properties engaged in commercial activities	<u>200</u>
Total proposed bond issue	\$350

As noted above, the resolution states that no more than \$45 million of the \$350 million authorization could be sold in any one year.

**Comments:**

1. Section 43607 of the State Government Code requires a two-thirds vote of all members of the Board of Supervisors for adoption of this resolution.
2. The proposed resolution does not authorize the issuance of the \$350 million in General Obligation bonds, but declares the public interest and necessity for the proposed issuance and declares the intent of the City to place the proposed bond issuance on the November, 1992, ballot. Once the bonds are authorized, all bond expenditures would be subject to future appropriation approval by the Board of Supervisors.
3. As previously stated, the bond proposal sponsor intends that the General Obligation bonds would be taxable. According to a Task Force discussion paper on the proposed bond issue, the reason that the use of tax exempt bonds are not being proposed is because tax-exempt bonds entail a number of requirements, such as obtaining an allocation from the California Debt Limit Allocation Committee,

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enforcing a Regulatory Agreement with the borrower for a 15-year period, identifying all projects using a particular bond issue prior to issuance, and reserving at least 20 percent of every residential project for very-low income households at correspondingly low rents for the 15-year Regulatory Agreement period.

4. Seismically deficient public buildings are undergoing bond-financed retrofit. Bond-financed funding of \$59,700,000 in 1989 and \$332,000,000 in 1990 has been approved for this purpose.

5. As of the writing of this report, the term of the bonds and the pay back period for borrowers had not been definitely decided upon.

6. As currently proposed, the loan program would be administered by a private financial institution. Program rules, regulations, and guidelines would be adopted by the Board of Supervisors, following receipt of recommendations by a four-member loan committee appointed by the Board of Supervisors. The four-person loan committee would consist of one member each representing tenants, owners, financial institutions, and the community at large. The loan committee would determine eligibility and loan criteria. However, the City would retain the right to decline any application if the loan did not meet the purposes of the program, or for other reasons established in the guidelines.

7. Current provisions of the proposed bond proposal that would apply to affordable housing are as follows:

a. Bond funds would be loaned to owners of affordable housing at an interest rate equal to 500 points below the City's cost, with a 27-year term, secured by a deed of trust on the property. However, payments of principal and interest would be deferred for buildings with 65 percent of floor space dedicated to residential use, where 80 percent of the units are affordable to persons whose income does not exceed 80 percent of median income. Unpaid interest would be added to the loan principal;

b. Mitigation of the impact of rent increases on tenants would be a factor in determining the amount of funds loaned to owners;

c. Units in buildings included in the affordable housing provisions of the loan program would be required to be maintained at a determined level of affordability for as long

as the loan is outstanding, or for 20 years, whichever is greater;

d. Rent increases to cover upgrading costs could be passed through to tenants within the guidelines of the Rent Ordinance, with limitations to ensure that rents remain affordable to low and very low income tenants;

e. Buildings unable to service the full debt necessary for seismic upgrading, even with all units producing income at maximum affordable rent levels, would be able to defer repayment of interest and principal until the cash flows permit repayment, or until the building was sold.

8. Current provisions of the proposed bond proposal that would apply to market rate residential and commercial buildings, are as follows:

a. Market rate loans, equivalent to the City's cost plus 100 points, would be made to UMB owners of market rate residential and commercial buildings;

b. Loans would be secured with a subordinate deed of trust on the property or, as an alternative, a deed of trust on other real property;

c. Loans would be amortized over a 20 year period.

9. The City's general obligation bonding capacity, which is equal to three percent of the City's total assessed property value, is approximately \$1.6 billion. Ms. Wagner-Lockwood advises that the City's present amount of General Obligation bonds outstanding is \$507 million. Therefore, the net available bonding capacity is approximately \$1.09 billion. The proposed sale of \$350 million of General Obligation bonds would reduce the City's bonding capacity to approximately \$743 million.

10. In addition to the City's existing General Obligation bond indebtedness of \$507 million and this proposed \$350 million bond issue, General Obligation bond indebtedness propositions that total \$148,220,000 are before the City's electorate in the June 2, 1992, Consolidated Primary Election, as follows:

<u>Proposition</u>	<u>Purpose</u>	<u>Amount</u>
A	Golden Gate Park Improvement Bonds	\$76,300,000
B	Civic Center Improvement Bonds	26,700,000
C	Civic Center Parking Garage Improvement Bonds	24,000,000
D	Civic Center Heating System Bonds	<u>21,220,000</u>
	Total	\$148,220,000

11. The bond proposal also notes that the City would incur Program administrative costs estimated to be \$1,500,000 per year for the first ten years of the Program. After the 10th year, the estimated administrative costs decrease to an estimated \$500,000 per year. Over the proposed total 26 year repayment period, the City's estimated administrative costs would total approximately \$22 million. The details of these administrative costs are not yet available. Administrative costs, after the origination period, could be covered by loan repayments. Such administrative costs funded by the bonds would be subject to future appropriation approval by the Board of Supervisors.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.





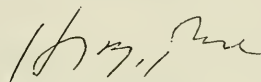
Memo to Finance Committee  
June 3, 1992

Item 24 - File 246-92-1

This item is a hearing to consider the creation of a Special Assessment District to finance the seismic retrofit of unreinforced masonry buildings (UMBs).

1. This item is companion to File 170-92-4, Item 23, on the June 3, 1992, Finance Committee calendar. File 170-92-4 is a resolution determining and declaring that the public interest and necessity warrant issuance of General Obligation bonds for the purpose of providing loans or grants for seismic strengthening of UMBs. This hearing (File 246-92-1) is to consider the creation of a Special Assessment District as an alternative or supplement to issuing General Obligation bonds for financing a portion of the total costs of the proposed UMB Seismic Strengthening Program.

2. The hearing sponsor reports that the development of a Special Assessment District method as a means for providing loans or grants for seismic strengthening of UMBs is in its formative stages, and that the purpose of the hearing is to obtain a range of options for creating such a District.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey



Memo to Finance Committee  
June 3, 1992

Item 8 - File 101-91-67

**REVISED**

DOCUMENTS DEPT.

**Department:**

Department of Public Health (DPH)  
Laguna Honda Hospital  
San Francisco General Hospital (SFGH)

JUN 4 1992

SAN FRANCISCO  
PUBLIC LIBRARY

**Item:**

Supplemental appropriation ordinance appropriating \$12,662,437 for various purposes, rescinding \$55,000 from Permanent Salaries - Miscellaneous, \$41,258 from professional services, \$214,123 from Medical Services Contract, for fiscal year 1991-92.

**Amount:**

\$12,662,437

**Source of Funds:**

MediCare Net Revenue	\$ 7,900,000
Medi-Cal Net Revenue	2,473,042
Other Patient Net Revenue	1,607,000
Various Revenue and Expenditure	
Reappropriations (Includes	
reappropriation of Prop. 99 funds	
not included in the title of the	
proposed ordinance)	682,395
Total	\$12,662,437

**Description:**

The proposed supplemental appropriation would appropriate additional unanticipated patient revenues and reappropriate various previously appropriated DPH expenditures and revenues. These additional unanticipated patient revenues resulted from increased bed usage and patient census. The DPH reports that these additional revenues are needed for estimated year end operating expenditures and other revenue shortfalls, including shortfalls in workers compensation, fringe benefits, facilities maintenance at SFGH to prepare for an accreditation survey, and funds to be allocated to the General Fund representing SFGH's contribution to the current year deficit reduction plan. Specifically, the funds would be used as follows:

<b><u>San Francisco General Hospital (SFGH)</u></b>	<b>\$11,497,715</b>
Permanent Salaries - Miscellaneous	\$ 657,400
Permanent Salaries - Craft	17,000
Permanent Salaries - Nurses	404,500
Overtime Pay	15,200
Holiday Pay	19,300
Temporary Salaries	85,300
Mandatory Fringe Benefits	251,300
Other Fringe Benefits - Nurses	260,000

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Contractual Services	\$ 1,400,000
Materials & Supplies	1,999,600
City Attorney	140,000
Workers Compensation	421,000
Proposition 99 - California Healthcare for the Indigent Program (CHIP)	349,798
Facilities Maintenance & Capital Projects	528,000
Transfer to General Fund	<u>4,949,317</u>
Total SFGH	\$11,497,715

**Laguna Honda Hospital (LHH)** \$ 483,042

Workers Compensation	<u>483,042</u>
Total LHH	\$ 483,042

**DPH - Central Office** \$ 681,680

Mandatory Fringe Benefits	40,000
Community Public Health Services - (materials & supplies)	15,000
Proposition 99 - California Healthcare for the Indigent Program (CHIP)	<u>626,680</u>
Total DPH Central Office	\$ 681,680

Grand Total \$12,662,437

**Comments:**

1. The DPH is projecting these expenditures of \$12,662,437 to be incurred through the end of the fiscal year. However, some of these expenditures will already be incurred prior to the Board of Supervisors' consideration of the proposed supplemental appropriation ordinance. Since the DPH was unable to specify the amount of expenditures which would be incurred prior to the Board of Supervisors' consideration of the proposed supplemental appropriation ordinance, the Budget Analyst recommends if the Board of Supervisors approves the proposed ordinance, the proposed ordinance should be amended to approve the expenditure of these funds retroactively.

2. According to San Francisco General Hospital (SFGH), the proposed supplemental appropriation request for permanent salaries, overtime pay, holiday pay and temporary salaries, mandatory fringe benefits and other fringe benefits - nurses is based on current expenditure trends. Overall, SFGH reports that these increased expenditure trends are a result of increased patient loads.

3. SFGH also reports that the \$1,400,000 projected deficit for contractual services consists of \$1,200,000 for increased use of nurses and pharmacists' registries, and \$200,000 which has

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been budgeted for additional facilities and maintenance contracts which the DPH anticipates completing in order to provide improvements for an accreditation and licensure survey performed by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), which will occur in October, 1992 (See Comment #14).

4. SFGH indicates that the \$1,999,600 projected deficit for materials and supplies would be required for increased costs associated with new drugs and technology (\$400,000), drug volume increases (\$400,000), increased blood usage (\$200,000), repayment to the State for AZT (\$827,600) and various other materials and supplies (\$172,000) needed for an accreditation and licensure survey (See Comment #14).

5. The \$140,000 request is for an overexpenditure of services provided by the City Attorney and the \$421,000 request is for a deficiency in the workers compensation account. The Board of Supervisors are also considering another supplemental appropriation ordinance (File 101-91-69, Item #10) for workers compensation for various City departments. The request for supplemental funds for workers compensation at SFGH is not included in that request (File 101-91-69, Item #10).

6. The \$349,798 would be used to continue to provide Proposition 99 California Healthcare for the Indigent Program (CHIP) hospital services at SFGH. These additional funds are required as a result of reduced State revenues available through Proposition 99.

7. The \$528,000 is being requested by SFGH for Facilities Maintenance and Capital Projects proposed by SFGH in order to comply with the accreditation and licensure survey. This request is in addition to the \$200,000 budgeted under contractual services, and the \$172,000 for materials and supplies. Therefore, there is a total of \$900,000 requested in this supplemental appropriation for Facilities Maintenance and Capital Projects associated with the accreditation and licensure survey. SFGH reports that based upon previous surveys completed, the new standards which would be applied in this survey would emphasize the Hospital's 1) urgent life-safety Code (Fire Code) and health and safety violations, 2) Emergency maintenance and survey preparation, and 3) compliance with previous citations. These projects are as follows:

Fire and Smoke Controls	\$255,000
Fire Doors	40,000
Electrical Distribution Switch	30,000

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Emergency Stairwell Lighting	\$ 36,000
Fire Exiting Signage	15,000
Ethylene Oxide (ETO) Safety/ development of an exhaust duct	50,000
Pigeon Abatement/Clean-up (reduce health risk to patients and staff)	70,000
Asbestos Abatement	12,000
Plumbing/Electrical/Carpentry/ Plaster/Painting	307,000
Drapery Installation (Window curtains and privacy drapes for inpatient areas)	25,000
Electrical Distribution Inspection	30,000
Surgicenter Project Preparation	15,000
Pathology Ventilation	<u>15,000</u>
Total	\$900,000

8. According to Mr. Jerry Rankin of SFGH, supplemental funding is being requested currently rather than as part of SFGH's 1992-93 budget because long lead times are required for these projects, and because the fiscal year 1992-93 budget does not contain sufficient funds to complete the projects required for the accreditation and licensure survey. According to SFGH expenditure reports, the funds budgeted for Facilities Maintenance during the current fiscal year were approximately \$740,000, and these funds have been entirely expended. In addition, Mr. Peter Praetz of SFGH reports that although \$937,000 was requested for Facilities Maintenance in SFGH's fiscal year 1992-93 budget, the Mayor is recommending approximately \$300,000 for Facilities Maintenance. The Budget Analyst has not yet completed a detailed review of SFGH's fiscal year budget (See Comment #14).

9. The \$483,042 budgeted for Workers' Compensation at LHH is projected for underfunded Workers' Compensation expenditures for fiscal year 1991-92. As previously noted, the Board of Supervisors is also considering another supplemental appropriation ordinance (File 101-91-69, Item #10) for workers compensation for various City department. The request for supplemental funds for workers compensation at LHH is not included in that request (File 101-91-69, Item #10).

10. The DPH reports that based on current expenditure trends, it is estimated that the mandatory fringe benefit account for DPH's Central Office will be overexpended by \$40,000.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

11. The DPH also reports that an additional \$15,000 would be required for materials and supplies to provide for higher costs associated with pharmaceuticals used by the Family Planning Program, including the purchase of Norplant system-kits, which is a new birth control technology.

12. Although the \$626,680 is budgeted to provide Proposition 99 California Healthcare for the Indigent Program (CHIP) hospital and administrative services provided by the DPH, according to Ms. Susan Ehrlich of the DPH, because there are corresponding Proposition 99 State revenue reductions, the \$626,680 would actually result in a reduction in services for the CHIP program.

13. The Budget Analyst recommends approval of the \$4,949,317 which would be transferred to the General Fund representing SFGH's contribution to the current year 1991-92 deficit plan as previously represented by the Mayors' Office and the Controller.

Given that the State is projecting a shortfall in Proposition 99 funds for the California Healthcare for the Indigent Program (CHIP), and the DPH reports that this reduction may result in a reduction in services, the Budget Analyst recommends approval of the following CHIP Services:

**San Francisco General Hospital**

Proposition 99 - California Healthcare for the Indigent Program (CHIP)	\$ 349,798
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**DPH - Central Office**

Proposition 99 - California Healthcare for the Indigent Program (CHIP)	626,680
Subtotal CHIP Services	<u>\$ 976,478</u>

The Controller's eight-month 1991-92 Financial Status Report dated March 30, 1992 projected deficits in permanent salaries, overtime pay, holiday pay, temporary salaries, mandatory fringe benefits and other fringe benefits totalling \$2,477,000 for San Francisco General Hospital, and it was anticipated that SFGH would request a supplemental appropriation ordinance to cover the projected deficit to be funded by increased hospital revenues. Although the Controller projected a deficit totalling \$2,477,000, based upon actual expenditures by SFGH through March 31, 1992, SFGH is requesting funds totalling \$1,710,000 as outlined below. Therefore, the Budget Analyst recommends approval of the following items:

**BOARD OF SUPERVISORS**  
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Permanent Salaries - Miscellaneous	\$ 657,400
Permanent Salaries - Craft	17,000
Permanent Salaries - Nurses	404,500
Overtime Pay	15,200
Holiday Pay	19,300
Temporary Salaries	85,300
Mandatory Fringe Benefits	251,300
Other Fringe Benefits - Nurses	<u>260,000</u>
Subtotal	\$ 1,710,000

The Controller's eight-month 1991-92 Financial Status Report dated March 30, 1992 also projected a deficit for workers compensation for both SFGH and LHH which are consistent with the proposed supplemental appropriation ordinance request. Therefore, the Budget Analyst recommends approval of the following items:

**San Francisco General Hospital**

Workers Compensation	\$ 421,000
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**Laguna Honda Hospital**

Workers' Compensation	<u>483,042</u>
Subtotal	\$ 904,042

In addition, based upon the projected deficits in the Financial Status Report dated March 30, 1992, and based upon the actual expenditure information provided by SFGH, the Budget Analyst recommends approval of the following items:

**San Francisco General Hospital**

Contractual Services	\$ 1,200,000
Materials & Supplies	1,827,600
City Attorney	140,000

**DPH - Central Office**

Mandatory Fringe Benefits	40,000
Community Public Health Services	<u>15,000</u>
Subtotal	\$ 3,222,600

Although the Budget Analyst has not yet completed a detailed review of the DPH's 1992-93 fiscal year budget, because the \$900,000 requested for facilities maintenance projects would enable the SFGH to begin projects to meet its accreditation, and based upon the detailed expenditure details which have been provided by the SFGH, the Budget Analyst recommends approval of the following items:

**San Francisco General Hospital**

Contractual Services	\$ 200,000
Materials & Supplies	172,000
Facilities Maintenance & Capital Projects	<u>528,000</u>
Total	\$ 900,000

The Budget Analyst will consider the proposed \$900,000 in facilities maintenance projects during our detailed review of the DPH's 1992-93 budget as recommended by the Mayor, and recommend any reductions to the Finance Committee in the 1992-93 budget if the budget includes any of the facilities maintenance projects which are requested to be funded through this proposed supplemental appropriation. The Budget Analyst will also carefully review any additional facilities maintenance projects in the 1992-93 budget which concern accreditation.

**Recommendation:** Approve the proposed ordinance.

As noted above, the proposed supplemental appropriation ordinance includes \$4,949,317 which would be transferred to the General Fund representing SFGH's contribution to the current year's 1991-92 deficit plan.





Memo to Finance Committee  
June 3, 1992

Budget Analyst Recommendations

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Item 23 - File 170-92-4

**REVISED**

**Proposed Action:** The proposed resolution would determine and declare that the public interest and necessity demand the acquisition, construction, or reconstruction by the City and County of the following municipal improvements, to wit: to provide loans or grants for the seismic strengthening of Unreinforced Masonry Buildings (UMBs) for affordable housing and market-rate residential and commercial purposes; that the estimated cost of \$350 million for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of bonded indebtedness; provided, however, that no more than \$45 million of this authorization shall be sold in any one fiscal year.

**Amount:** \$350 million

**Description:** The State of California has enacted legislation that requires all localities to identify UMBs and to establish a program to mitigate the hazards of UMBs resulting from a major earthquake. The State will not reimburse the City for the costs of the program. Ms. Judy Boyajian of the City Attorney's Office reports that, according to State law, should the City not implement a seismic strengthening program by January 1, 1993, the City would then be precluded from implementing any such seismic strengthening program for commercial UMBs that is less restrictive than State-imposed requirements. The State law would not apply to retrofits of residential UMBs in the City and County of San Francisco if the City makes findings that deviations from State law are required due to local conditions.

To address the hazards of UMBs, a Task Force on Unreinforced Masonry Buildings, appointed by the Chief Administrative Officer (CAO), has been meeting regularly for the past five years to develop a seismic strengthening program for UMBs. The activities of the Task Force have resulted in a proposed Seismic Strengthening Program, as described below. The goals of the Seismic Strengthening Program are to retrofit the maximum number of UMBs in order to protect lives and to preserve affordable housing, jobs, neighborhood character, and historically significant buildings.

The City's proposed Seismic Strengthening Program is delineated in proposed new sections amending the City's Building Code. The proposed Chapter 14, titled "Earthquake Hazard Reduction in Unreinforced Masonry Bearing Wall Buildings," covers the scope of the proposed UMB Program, general compliance requirements, and the administration of the

**BOARD OF SUPERVISORS  
BUDGET ANALYST**

Program. The proposed new Chapter 15, titled "Seismic Strengthening Provisions for Unreinforced Masonry Bearing Wall Building," contains the technical requirements for seismic strengthening of unreinforced masonry bearing wall buildings.

The major general provisions of the proposed UMB Program are as follows:

a. Residential unreinforced masonry buildings containing less than five dwelling units or guest rooms and used solely for residential purposes would be exempted from the UMB Program.

b. The Superintendent of the Bureau of Building Inspection would be required to issue an order to the owner of each building within the scope of the UMB Program to initiate UMB retrofit actions. The order would contain a copy of the proposed Chapters 14 and 15 of the Building Code, a commentary on these chapters, a sample inventory form and an engineering report summary form. The owner or the owner's agent may appeal the Superintendent's order to the Board of Examiners.

c. The owners of UMBs in receipt of the Superintendent's order would be required to have a structural analysis of the UMB performed. If the building does not meet the minimum standards specified in the Building Code, except as provided for in the proposed UMB Program, the owner must have the building structurally altered to conform to such standards or have the building demolished.

d. The results of the structural analysis, complemented by an inventory form, a risk assessment, and an engineering report that details applicable retrofit requirements, all within specified time limits that are dependent on the UMB's assigned level of risk, would be submitted to the Bureau of Building Inspection. If this \$350 million bond proposal is not approved by the City's electorate, owner's of UMBs would not be required to have the seismic strengthening work performed. All seismic upgrading would be required to be completed within 13 years of passage of this \$350 million General Obligation bond proposal.

e. This proposed legislation does not require alteration of existing electrical, plumbing, mechanical, fire protection or life-safety systems that are in compliance with the respective codes in effect at the time of their original legally permitted construction or installation.

f. Section 1509(b), which would be a part of the newly created Chapter 15 of the San Francisco Building Code, describes the minimum standards to be applied to UMB structures. Buildings with sufficient mortar strength and crosswalls may upgrade to a "Bolts Plus"<sup>1</sup> level if other described weaknesses are addressed. Assembly, educational and institutional buildings, those with rigid floor systems, those over six stories tall (Building Code occupancy classifications A, E and I), and those with remaining deficiencies, must upgrade to Uniform Code for Building Conservation (UCBC) standards.<sup>2</sup> Retrofit beyond the level described in Section 104(f) of the existing San Francisco Building Code will not be required.

The Task Force estimates that the cost of retrofitting the City's approximately 2,000 UMBs to make them seismically safe is \$450 million. According to Mr. David Prowler of the CAO's Office, an estimated 78 of the approximately 2,000 UMBs would not be subject to the provisions of the seismic strengthening program because they are residential UMBs containing less than five units. Although the estimated cost is \$450 million, this proposed legislation would only provide financing for \$350 million.

The proceeds from the proposed \$350 million General Obligation bond issue would provide funds for the seismic strengthening of privately owned UMBs. The proposed bond program would provide financial assistance in the form of loans to owners of UMBs. The \$350 million loan principal plus interest would be paid off by loan payments made by UMB owners and by property taxes. Item 24, File 246-92-1 of the June, 1992, Finance Committee calendar, is a hearing to consider the creation of a Special Assessment District to finance the seismic retrofit of UMBs. The hearing sponsor reports that the development of a Special Assessment District could be an alternative to issuing General Obligation bonds or could be used to supplement such bonds.

Property owners would pay the majority of the seismic strengthening costs. The eligible uses of bond loan monies would be for construction costs, the costs of other Building Code requirements that are caused by the seismic strengthening work, including handicapped accessibility modifications, and

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<sup>1</sup> The "Bolts Plus" retrofit level requires anchoring walls to floors and roofs plus measures to strengthen walls.

<sup>2</sup> The UCBC retrofit alternative requires supplementing the Bolts Plus alternative by strengthening other building elements including floors, roofs, and walls. In some cases, new reinforced masonry or concrete walls, or shotcrete (sprayed concrete) over existing walls may be needed.

costs, such as architects' and engineers' fees, that are associated with construction work.

The bond proposal sponsor estimates that the proposed \$350 million bond authorization would be allocated as follows:

	Amount in <u>Millions</u>
Apartment building and residential hotels that provide affordable housing (50 percent of the floor space is devoted to residential use and 60 percent of the units are affordable for persons with incomes that are no more than 80 percent of median)	\$150
Market rate residential properties and nonresidential properties engaged in commercial activities	<u>200</u>
Total proposed bond issue	\$350

As noted above, the resolution states that no more than \$45 million of the \$350 million authorization could be sold in any one year.

**Comments:**

1. Section 43607 of the State Government Code requires a two-thirds vote of all members of the Board of Supervisors for adoption of this resolution.
2. The proposed resolution does not authorize the issuance of the \$350 million in General Obligation bonds, but declares the public interest and necessity for the proposed issuance. Should the bonds be authorized, all bond expenditures would be subject to future appropriation by the Board of Supervisors.
3. The bond proposal sponsor intends that the General Obligation bonds would not be tax-exempt because the bond proceeds would be used for "private activities." Tax-exempt bonds may be available for the low-income portion of the UMB Program, however, a number of requirements, such as obtaining an allocation from the California Debt Limit Allocation Committee, enforcing a Regulatory Agreement with the borrower for a 15-year period, identifying all projects using a particular bond issue prior to issuance, and reserving at least 20 percent of every residential project for very-low income households at correspondingly low rents for the 15-year Regulatory Agreement period.



4. Although the proposed legislation provides that no more than \$45 million for the \$350 million authorization sought could be sold in any one year, the bond proposal sponsor currently intends that no more than \$35 million be sold in any one year. The \$35 million annual sale authorization would be on a cumulative basis, i.e., any sums less than \$35 million sold in any year could be added to the \$35 million sale authorization for any subsequent year.

5. Seismically deficient public buildings are undergoing bond-financed retrofit. Bond-financed funding of \$59,700,000 in 1989 and \$332,000,000 in 1990 has been approved for this purpose.

6. Current provisions of the proposed bond proposal that would apply to affordable housing are as follows:

a. Bond funds would be loaned to owners of affordable housing at an interest rate equal to one-third of the City's cost, with a 20-year term, secured by a deed of trust on the property. However, the bond proposal provides that up to \$60 million in such loans could be deferred for buildings with 60 percent of floor space dedicated to residential use, where 80 percent of the units are affordable to persons whose income does not exceed 80 percent of median income. Unpaid interest would be added to the loan principal;

b. Mitigation of the impact of rent increases on tenants would be a factor in determining the loan terms for owners;

c. Units in buildings included in the affordable housing provisions of the loan program would be required to be maintained at a determined level of affordability for as long as the loan is outstanding, or for 20 years, whichever is greater;

d. Rent increases to cover upgrading costs could be passed through to tenants within the guidelines of the Rent Ordinance, with limitations to ensure that rents remain affordable to low and very low income tenants;

e. Buildings unable to service the full debt necessary for seismic upgrading, even with all units producing income at maximum affordable rent levels, would be able to defer repayment of interest and principal until the cash flows permit repayment, or until the building was sold.

7. Current provisions of the bond proposal that would apply to market rate residential and commercial buildings, are as follows:



a. Market rate loans, equivalent to the City's cost plus 100 basis points (one percent), would be made to UMB owners of market rate residential and commercial buildings;

b. Loans would be secured with a deed of trust on the property or, as an alternative, a deed of trust on other real property;

c. Loans would be amortized over a 20 year period.

8. The City's Deputy Fiscal Officer who oversees the City debt issuances, Ms. Laura Wagner-Lockwood of the CAO's Office, reports that if the bonds were sold today, the probable interest rate would be between 8.0 percent and 9.0 percent.

9. As of the writing of this report, the term of the bonds and the pay back period for borrowers had not been definitely decided upon. However, for purposes of estimating costs, debt servicing, property tax effects, and other variables, Ms. Wagner-Lockwood has used a bond term of 20 years. Other current assumptions include that the bonds would be issued in 10 series of \$35 million each with an overall interest rate of nine percent, beginning in fiscal year 1992-93, that the repayment interest rate for affordable housing UMBs would be three percent, and that the repayment interest rate for commercial and market-rate residential UMBs would be 10 percent. Attachment I to this report contains the proposed phased issuance of the bonds.

10. Attachment II to this report displays a tentative bond program, as developed by Ms. Wagner-Lockwood. Using the assumptions previously cited, Attachment II shows that the proposed \$350 million bond sale would result in a total bond interest cost of approximately \$417 million and a total debt service requirement of approximately \$767 million. Over the 29-year period of the loan and repayment program, this would result in an average debt service of approximately \$26.4 million per year.

11. The first three columns of Attachment II show Total Interest, Total Principal, and Annual Debt Service for each year of the currently proposed 29-year loan and repayment program. Those figures represent the sums the City would liable for to the bondholders. The next six columns represent loan payments that UMB borrowers would be liable to the City for. The Maximum Loan Debt Service column shows the maximum sum the City could expect to collect from affordable housing and commercial and market-rate housing borrowers, combined. Also factored into the model are the effects of deferred loan payments, loan defaults, administrative costs, the resulting Net Loan Debt Service that would be paid from property taxes, and

the percentages of Total Debt Service that would be paid by loan payments and by property taxes.

12. The parameters used in the model shown in Attachment II would result, for the first year of the 20-year term of the bonds, in a debt service paid by property taxes of \$2,398,000, or an approximately \$0.0042 per \$100 of assessed value increase in the property tax rate. At that rate, the owner of a house assessed at \$250,000, would pay approximately \$10 in additional annual property taxes due to this bond issue. The maximum annual debt service paid by property taxes, \$12,732,000 each for fiscal years 2003 through 2006, or an approximately \$0.0142 per \$100 of assessed value increase in the property tax rate. At that rate, the owner of a house assessed at \$250,000 would pay a maximum of approximately \$36 in additional annual property taxes in the year 2003 due to this bond issue.

13. As currently proposed, the loan program would be administered by a private financial institution. Program rules, regulations, and guidelines would be adopted by the Board of Supervisors, following receipt of recommendations by a four-member program committee appointed by the Board of Supervisors. The four-person program committee would consist of one member each representing tenants, owners, financial institutions, and the community at large. The program committee would determine eligibility and loan criteria. However, the City would retain the right to decline any application if the loan did not meet the purposes of the program, or for other reasons established in the guidelines.

14. The City's General Obligation bonding capacity, which is equal to three percent of the City's total assessed property value, is approximately \$1.6 billion. Ms. Wagner-Lockwood advises that the City's present amount of General Obligation bonds outstanding is \$507 million. Therefore, the net available legal bonding capacity is approximately \$1.09 billion. The proposed \$350 million General Obligation bonds would reduce the City's legal bonding capacity by whatever portion of the \$350 million is actually issued and outstanding at any given time.

15. In addition to the City's existing General Obligation bond indebtedness of \$507 million and this proposed \$350 million bond issue, General Obligation bond indebtedness propositions that total \$148,220,000 are pending before the City's electorate in the June 2, 1992, Consolidated Primary Election, as follows:

<u>Proposition</u>	<u>Purpose</u>	<u>Amount</u>
A	Golden Gate Park Improvement Bonds	\$76,300,000
B	Civic Center Improvement Bonds	26,700,000
C	Civic Center Parking Garage Improvement Bonds	24,000,000
D	Civic Center Heating System Bonds	<u>21,220,000</u>
	Total	\$148,220,000

16. Further, General Obligation bond indebtedness of \$882.4 million is being considered by the Finance Committee on June 10, 1992, for placement before the City's electorate in the November, 1992, General Election, as follows:

<u>Purpose</u>	<u>Amount</u>
Fire Protection Systems	\$97,000,000
Juvenile Justice Complex Construction Bonds	78,900,000
Laguna Honda Hospital Construction Bonds	548,400,000
San Bruno Jail Construction Bonds	<u>158,100,000</u>
Total	\$882,400,000

17. The bond proposal also notes that the City would incur Program administrative costs estimated to be \$1,250,000 per year for the first 13 years of the Program. Thereafter, the estimated administrative costs decrease to an estimated \$500,000 per year. Over the proposed total 29 year repayment period, the City's estimated administrative costs would total approximately \$24.25 million. The details of these administrative costs are not yet available. Administrative costs, after the origination period, could be covered by loan repayments. Such administrative costs funded by the bonds would be subject to future appropriation approval by the Board of Supervisors.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors. If the Board of Supervisors decides to approve the proposed resolution, amend lines 12 and 13 on page one of the proposed resolution to provide that no more than \$35 million dollars of said authorization shall be sold in any one fiscal year, on a cumulative basis.

City and County of San Francisco  
Unreinforced Masonry Buildings Loan Program

Debt Service Schedule  
on \$350 million taxable general obligation bonds (assumes overall interest cost to City of 9%)  
(in thousands)

*Phased Issuance of 20-year bonds and loans over 10 fiscal years*

Bonds Issued in fiscal year:	Bonds for Affordable Housing 3% Loans	Bonds for "Market Rate" 10% Loans
92-93	\$35,000	\$20,000
93-94	35,000	20,000
94-95	35,000	20,000
95-96	35,000	20,000
96-97	35,000	20,000
97-98	35,000	20,000
98-99	35,000	20,000
99-00	35,000	20,000
00-01	35,000	20,000
01-02	35,000	20,000
TOTAL	350,000	200,000





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Memo to Finance Committee  
June 10, 1992

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Budget Analyst Recommendations

**REVISED**

Item 4 - File 170-92-4

1/92c Note: This item was continued by the Finance Committee at its meeting of June 3, 1992.

**Proposed Action:** The proposed resolution would determine and declare that the public interest and necessity demand the acquisition, construction, or reconstruction by the City and County of the following municipal improvements, to wit: to provide loans or grants for the seismic strengthening of Unreinforced Masonry Buildings (UMBs) for affordable housing and market-rate residential and commercial purposes; that the estimated cost of \$350 million for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of bonded indebtedness; provided, however, that no more than \$35 million of this authorization shall be sold in any one fiscal year.

**Amount:** \$350 million

**Description:** The State of California has enacted legislation that requires all localities to identify UMBs and to establish a program to mitigate the hazards of UMBs resulting from a major earthquake. The State will not reimburse the City for the costs of the program. Ms. Judy Boyajian of the City Attorney's Office reports that, according to State law, should the City not implement a seismic strengthening program by January 1, 1993, the City would then be precluded from implementing any such seismic strengthening program for commercial UMBs that is less restrictive than State-imposed requirements. The State law would not apply to retrofits of residential UMBs in the City and County of San Francisco if the City makes findings that deviations from State law are required due to local conditions.

To address the hazards of UMBs, a Task Force on Unreinforced Masonry Buildings, appointed by the Chief Administrative Officer (CAO), has been meeting regularly for the past five years to develop a seismic strengthening program for UMBs. The activities of the Task Force have resulted in a proposed Seismic Strengthening Program, as described below. The goals of the Seismic Strengthening Program are to retrofit the maximum number of UMBs in order to protect lives and to preserve affordable housing, jobs, neighborhood character, and historically significant buildings.

The City's proposed Seismic Strengthening Program is delineated in proposed new sections amending the City's Building Code. The proposed Chapter 14, titled "Earthquake

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BUDGET ANALYST**

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Hazard Reduction in Unreinforced Masonry Bearing Wall Buildings," covers the scope of the proposed UMB Program, general compliance requirements, and the administration of the Program. The proposed new Chapter 15, titled "Seismic Strengthening Provisions for Unreinforced Masonry Bearing Wall Building," contains the technical requirements for seismic strengthening of unreinforced masonry bearing wall buildings.

The major general provisions of the proposed UMB Program are as follows:

- a. Residential unreinforced masonry buildings containing less than five dwelling units or guest rooms and used solely for residential purposes would be exempted from the UMB Program.
- b. The Superintendent of the Bureau of Building Inspection would be required to issue an order to the owner of each building within the scope of the UMB Program to initiate UMB retrofit actions. The order would contain a copy of the proposed Chapters 14 and 15 of the Building Code, a commentary on these chapters, a sample inventory form and an engineering report summary form. The owner or the owner's agent may appeal the Superintendent's order to the Board of Examiners.
- c. The owners of UMBs in receipt of the Superintendent's order would be required to have a structural analysis of the UMB performed. If the building does not meet the minimum standards specified in the Building Code, except as provided for in the proposed UMB Program, the owner must have the building structurally altered to conform to such standards or have the building demolished.
- d. The results of the structural analysis, complemented by an inventory form, a risk assessment, and an engineering report that details applicable retrofit requirements, all within specified time limits that are dependent on the UMB's assigned level of risk, would be submitted to the Bureau of Building Inspection. If this \$350 million bond proposal is not approved by the City's electorate, owner's of UMBs would not be required to have the seismic strengthening work performed. All seismic upgrading would be required to be completed within 13 years of passage of this \$350 million General Obligation bond proposal.
- e. This proposed legislation does not require alteration of existing electrical, plumbing, mechanical, fire protection or life-safety systems that are in compliance with the respective codes in effect at the time of their original legally permitted construction or installation.

f. Section 1509(b), which would be a part of the newly-created Chapter 15 of the San Francisco Building Code, describes the minimum standards to be applied to UMB structures. Buildings with sufficient mortar strength and crosswalls may upgrade to a "Bolts Plus"<sup>1</sup> level if other described weaknesses are addressed. Assembly, educational and institutional buildings, those with rigid floor systems, those over six stories tall (Building Code occupancy classifications A, E and I), and those with remaining deficiencies, must upgrade to Uniform Code for Building Conservation (UCBC) standards.<sup>2</sup> Retrofit beyond the level described in Section 104(f) of the existing San Francisco Building Code will not be required.

The Task Force estimates that the cost of retrofitting the City's approximately 2,000 UMBs to make them seismically safe is \$450 million. According to Mr. David Prowler of the CAO's Office, an estimated 78 of the approximately 2,000 UMBs would not be subject to the provisions of the seismic strengthening program because they are residential UMBs containing less than five units. Although the estimated cost is \$450 million, this proposed legislation would only provide financing for \$350 million.

The proceeds from the proposed \$350 million General Obligation bond issue would provide funds for the seismic strengthening of privately owned UMBs. The proposed bond program would provide financial assistance in the form of loans to owners of UMBs. The \$350 million loan principal plus interest would be paid off by loan payments made by UMB owners and by property taxes.

Property owners would pay the majority of the seismic strengthening costs. The eligible uses of bond loan monies would be for construction costs, the costs of other Building Code requirements that are caused by the seismic strengthening work, including handicapped accessibility modifications, and costs, such as architects' and engineers' fees, that are associated with construction work.

The bond proposal sponsor estimates that the proposed \$350 million bond authorization would be allocated as follows:

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<sup>1</sup> The "Bolts Plus" retrofit level requires anchoring walls to floors and roofs plus measures to strengthen walls.

<sup>2</sup> The UCBC retrofit alternative requires supplementing the Bolts Plus alternative by strengthening other building elements including floors, roofs, and walls. In some cases, new reinforced masonry or concrete walls, or shotcrete (sprayed concrete) over existing walls may be needed.

	Amount in <u>Millions</u>
Apartment building and residential hotels that provide affordable housing (50 percent of the floor space is devoted to residential use and 60 percent of the units are affordable for persons with incomes that are no more than 80 percent of median)	\$150
Market rate residential properties and nonresidential properties engaged in commercial activities	<u>200</u>
Total proposed bond issue	\$350

As noted above, the resolution states that no more than \$35 million of the \$350 million authorization could be sold in any one year.

**Comments:**

1. Section 43607 of the State Government Code requires a two-thirds vote of all members of the Board of Supervisors for adoption of this resolution.
2. The proposed resolution does not authorize the issuance of the \$350 million in General Obligation bonds, but declares the public interest and necessity for the proposed issuance. Should the bonds be authorized, all bond expenditures would be subject to future appropriation by the Board of Supervisors.
3. The bond proposal sponsor intends that the General Obligation bonds would not be tax-exempt because the bond proceeds would be used for "private activities." Tax-exempt bonds may be available for the low-income portion of the UMB Program, however, a number of requirements, such as obtaining an allocation from the California Debt Limit Allocation Committee, enforcing a Regulatory Agreement with the borrower for a 15-year period, identifying all projects using a particular bond issue prior to issuance, and reserving at least 20 percent of every residential project for very-low income households at correspondingly low rents for the 15-year Regulatory Agreement period.
4. The \$35 million annual sale authorization would be on a cumulative basis, i.e., any sums less than \$35 million sold in any year could be added to the \$35 million sale authorization for any subsequent year.



5. Seismically deficient public buildings are undergoing bond-financed retrofit. Bond-financed funding of \$59,700,000 in 1989 and \$332,000,000 in 1990 has been approved for this purpose.

6. Current provisions of the proposed bond proposal that would apply to affordable housing are as follows:

a. Bond funds would be loaned to owners of affordable housing at an interest rate equal to one-third of the City's cost, with a 20-year term, secured by a deed of trust on the property. However, the bond proposal provides that up to \$60 million in such loans could be deferred for buildings with 60 percent of floor space dedicated to residential use, where 80 percent of the units are affordable to persons whose income does not exceed 80 percent of median income. Unpaid interest would be added to the loan principal;

b. Mitigation of the impact of rent increases on tenants would be a factor in determining the loan terms for owners;

c. Units in buildings included in the affordable housing provisions of the loan program would be required to be maintained at a determined level of affordability for as long as the loan is outstanding, or for 20 years, whichever is greater;

d. Rent increases to cover upgrading costs could be passed through to tenants within the guidelines of the Rent Ordinance, with limitations to ensure that rents remain affordable to low and very low income tenants;

e. Buildings unable to service the full debt necessary for seismic upgrading, even with all units producing income at maximum affordable rent levels, would be able to defer repayment of interest and principal until the cash flows permit repayment, or until the building was sold.

7. Current provisions of the bond proposal that would apply to market rate residential and commercial buildings, are as follows:

a. Market rate loans, equivalent to the City's cost plus 100 basis points (one percent), would be made to UMB owners of market rate residential and commercial buildings;

b. Loans would be secured with a deed of trust on the property or, as an alternative, a deed of trust on other real property;

c. Loans would be amortized over a 20 year period.



8. The City's Deputy Fiscal Officer who oversees the City debt issuances, Ms. Laura Wagner-Lockwood of the CAO's-Office, reports that if the bonds were sold today, the probable interest rate would be between 8.0 percent and 9.0 percent.

9. As of the writing of this report, the term of the bonds and the pay back period for borrowers had not been definitely decided upon. However, for purposes of estimating costs, debt servicing, property tax effects, and other variables, Ms. Wagner-Lockwood has used a bond term of 20 years. Other current assumptions include that the bonds would be issued in 10 series of \$35 million each with an overall interest rate of nine percent, beginning in fiscal year 1992-93, that the repayment interest rate for affordable housing UMBs would be three percent, and that the repayment interest rate for commercial and market-rate residential UMBs would be 10 percent. Attachment I to this report contains the proposed phased issuance of the bonds.

10. Attachment II to this report displays a tentative bond program, as developed by Ms. Wagner-Lockwood. Using the assumptions previously cited, Attachment II shows that the proposed \$350 million bond sale would result in a total bond interest cost of approximately \$417 million and a total debt service requirement of approximately \$767 million. Over the 29-year period of the loan and repayment program, this would result in an average debt service of approximately \$26.4 million per year.

11. The first three columns of Attachment II show Total Interest, Total Principal, and Annual Debt Service for each year of the currently proposed 29-year loan and repayment program. Those figures represent the sums the City would liable for to the bondholders. The next six columns represent loan payments that UMB borrowers would be liable to the City for. The Maximum Loan Debt Service column shows the maximum sum the City could expect to collect from affordable housing and commercial and market-rate housing borrowers, combined. Also factored into the model are the effects of deferred loan payments, loan defaults, administrative costs, and the resulting percentages of Total Debt Service that would be paid from property taxes (ranging from 31.3 percent to 46.2 percent, excluding the first year), and the percentages of Total Debt Service that would be paid by loan repayments (ranging from 53.8 percent to 68.7 percent, excluding the first year).

12. The parameters used in the model shown in Attachment II would result, for the first year of the 20-year term of the bonds, in a debt service paid by property taxes of \$2,398,000, or an approximately \$0.0042 per \$100 of assessed value increase in the

property tax rate. At that rate, the owner of a house assessed at \$250,000, would pay approximately \$10 in additional annual property taxes due to this bond issue. The maximum annual debt service paid by property taxes, \$12,732,000 each for fiscal years 2003 through 2006, or an approximately \$0.0142 per \$100 of assessed value increase in the property tax rate. At that rate, the owner of a house assessed at \$250,000 would pay a maximum of approximately \$36 in additional annual property taxes in the year 2003 due to this bond issue.

13. As currently proposed, the loan program would be administered by a private financial institution. Program rules, regulations, and guidelines would be adopted by the Board of Supervisors, following receipt of recommendations by a four-member program committee appointed by the Board of Supervisors. The four-person program committee would consist of one member each representing tenants, owners, financial institutions, and the community at large. The program committee would determine eligibility and loan criteria. However, the City would retain the right to decline any application if the loan did not meet the purposes of the program, or for other reasons established in the guidelines.

14. The City's General Obligation bond capacity is equal to three percent of the City's total assessed property value. The City's current outstanding General Obligation bond capacity, less previously approved bond issues, will be \$1.08 billion on June 30, 1992, according to the CAO. The CAO estimates that the City's debt capacity will increase by \$78.6 million in 1992-93 with the expected increase in the value of assessed property, but increase an additional \$20.4 million because some debts would be retired, for a net increase of \$99 million. The proposed \$350 million General Obligation bonds would reduce the City's legal bonding capacity by whatever portion of the \$350 million is actually issued and outstanding at any given time. In 1992-93, the CAO anticipates that \$35 million of the proposed \$350 million UMB bonds would be sold.

15. In addition to the City's existing General Obligation bond indebtedness of \$507 million and this proposed \$350 million bond issue, one General Obligation bond indebtedness proposition for Golden Gate Park Improvement Bonds for \$76,300,000 was approved by the City's electorate on June 2, 1992.

16. Further, General Obligation bond indebtedness of \$882.4 million is being considered by the Finance Committee on June 10, 1992, for placement before the City's electorate in the November, 1992, General Election, as follows:

<u>Purpose</u>	<u>Amount</u>
Fire Protection Systems	\$97,000,000
Juvenile Justice Complex Construction Bonds	78,900,000
Laguna Honda Hospital Construction Bonds	548,400,000
San Bruno Jail Construction Bonds	<u>158,100,000</u>
Total	\$882,400,000

17. The bond proposal also notes that the City would incur Program administrative costs estimated to be \$1,250,000 per year for the first 13 years of the Program. Thereafter, the estimated administrative costs decrease to an estimated \$500,000 per year. Over the proposed total 29 year repayment period, the City's estimated administrative costs would total approximately \$24.25 million. The details of these administrative costs are not yet available. Administrative costs, after the origination period, could be covered by loan repayments. Such administrative costs funded by the bonds would be subject to future appropriation approval by the Board of Supervisors.

18. Mr. Jack Pizza of the City Attorney's Office reports that amendments to the proposed UMB bond legislation concerning issues of affordability and loan allocations may be made prior to the June 10, 1992, meeting of the Finance Committee, or that those concerns could be addressed subsequently in separate legislation. As of the writing of this report, the Budget Analyst had not received any amendments to the proposed legislation.

19. As noted above, the total of the five proposed bond issues is \$1,232,400,000. In June, 1992 four bond issues were considered by San Francisco voters, as follows:

Proposition A: Golden Gate Park Improvements	\$76,300,000
Proposition B: Civic Center Improvements	26,700,000
Proposition C: Civic Center Parking Garage Improvements	24,000,000
Proposition D: Civic Center Heating System	<u>21,220,000</u>
TOTAL	\$148,220,000

Of the four bond proposals, only the Golden Gate Park Improvements bond was approved.

BOARD OF SUPERVISORS  
BUDGET ANALYST

The \$148,220,000 total bond proposals considered by the voters in June, 1992 represent 12 percent of the total bond proposals of \$1,232,400,000 currently being considered by the Finance Committee. The \$76,300,000 approved by the voters in June, 1992 for Golden Gate Park Improvements represents six percent of the current bond proposals being considered by the Finance Committee.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

City and County of San Francisco  
Unreinforced Masonry Buildings Loan Program

Debt Service Schedule  
on \$350 million taxable general obligation bonds (assumes overall interest cost to City of 9%)  
(in thousands)

*Phased Issuance of 20-year bonds and loans over 10 fiscal years*

Bonds issued in fiscal year:	Bonds for Affordable Housing 3% Loans	Bonds for "Market Rate" 10% Loans
92-93	\$35,000	\$20,000
93-94	35,000	20,000
94-95	35,000	20,000
95-96	35,000	20,000
96-97	35,000	20,000
97-98	35,000	20,000
98-99	35,000	20,000
99-00	35,000	20,000
00-01	35,000	20,000
01-02	35,000	20,000
TOTAL	350,000	200,000







SF  
\$90.25  
#2  
6/10/92  
(corrected)

CORRECTED

SEE ITEM 17

CALENDAR

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENT

JUN 10 1992

SAN FRAN.  
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WEDNESDAY, JUNE 10, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

ABSENT: SUPERVISOR GONZALEZ - ITEM 12

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a. File 25-92-19. [Contracting Out City Services] Resolution concurring with the Controller's certification that security services at the San Francisco Zoo can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Recreation and Park Department)
- b. File 25-92-20. [Contracting Out City Services] Resolution concurring with the Controller's certification that Budget Analyst Services can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Clerk of the Board)
- c. File 25-92-21. [Contract Prop J - Paratransit Services] Resolution finding that it is economical for the Public Utilities Commission to contract for paratransit services in accordance with Charter Sect 8.300-1. (Public Utilities Commission)
- d. File 38-92-17. [Gift] Resolution accepting a gift from the Business Community of San Francisco of artistic painting services valued at \$24,000 for the decorative painting of temporary plywood surfaces in and adjacent to the main rotunda of San Francisco City Hall. (Supervisor Conroy)
- e. File 38-92-18. [Acceptance of Gift] Resolution accepting one gift valued at \$10,000 from True North Foundation for use by the Recreation and Park Department for the Park Maintenance Fund. (Recreation and Park Department)

- f. File 61-92-2. [Contract Award Extension] Resolution approving an extension of time of seventy-six additional calendar days to award Municipal Railway Contract No. MR-1039-R Curtis E. Green Light Rail Facility Geneva Site – Maintenance Building Paint Booth Fan Modification. (Public Utilities Commission)
- g. File 61-92-3. [Contract Award Extension] Resolution approving an extension of time of one hundred and fourteen days to award Municipal Railway Contract No. MR-1035-R Kirkland Motor Coach Facility – security fencing & gates. (Public Utilities Commission)
- h. File 101-90-77.1. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount \$167,243, for security fencing and gates for Municipal Railway Contract No. MR-1035-R, Kirkland Motor Coach Facility. (Public Utilities Commission)
- i. File 148-91-8.1. [Release of Funds] Requesting release of reserved funds, Department of Public Works, in an amount totalling \$1,949,600, (\$1,647,600, Resolution No. 575-91 and \$275,000 Resolution No. 559-91), for consultant services for planning and environmental work for the Embarcadero Freeway Replacement Project (Parsons Brinckerhoff Quade & Douglas, Inc., Contractors). (Department of Public Works)
- j. File 133-90-1.5. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer – Solid Waste Management Program, in the amount of \$80,000, to purchase a chipper/shredder, for services of other departments to develop and enhance recycling and composting programs (Recreation and Park Department, Contractor). (Chief Administrative Officer)
- k. File 133-90-1.6. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer – Solid Waste Management Program, in the amount of \$50,000, for consultant services – Senior Environmental Corps Members, for waste reduction assistance and training for large quantity generators. (Chief Administrative Officer)
- l. File 57-91-2.4. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer/Solid Waste Management Program, in the amount of \$2,000, for graphic design services to develop Student Recycling Handbook (Nancy Hom, Graphic, contractor). (Chief Administrative Officer)
- m. File 79-91-2.3. [Release of Funds] Requesting release of reserved funds, Mayor's Office of Economic Planning and Development, in the amount of \$518,340, from the Homeless Program Pool, from the 1991 and 1992 Community Development Block Grant Program for Alcohol Drop-In center at 39 Fell Street operated by Chemical Awareness and Treatment Services. (Mayor's Office of Economic Planning & Development)
- n. File 150-92-2. [Grant – State Funds] Resolution authorizing the Recreation and Park Department to retroactively apply for a grant in the amount of up to \$500,000 from Department of Boating and Waterways for Pier 54 public boat launching ramp; waiving indirect costs. (Supervisor Migden)

ACTION: Items d, e, f, g and i removed from Consent Calendar. Remainder of Consent Calendar recommended.

Item 1d, File 38-92-17. Continued to the Call of the Chair.

Item 1e, File 38-92-18. Tabled.

Item 1f, File 61-92-2. Amended. (See file for details.) Recommended as amended. New title: "Approving an extension of time of forty-six additional calendar days to award Municipal Railway Contract No. MR-1039-R Curtis E. Green Light Rail Facility Geneva Site - Maintenance Building Paint Booth Fan Modification."

Item 1g, File 61-92-3. Amended. (See file for details.) Recommended as amended. New title: "Approving an extension of time of eighty-four days to award Municipal Railway Contract No. MR-1035-R Kirkland Motor Coach Facility - security fencing & gates."

Item 1i, File 148-91-8.1. Release of \$1,624,625 recommended. Filed.

### REGULAR CALENDAR

2. File 102-92-1. [Interim Annual Salary Ordinance] Interim Annual Salary Ordinance for Fiscal Year 1992-93. (Civil Service Commission)

ACTION: Amended. (See file for details.) Recommended as amended.

3. File 101-92-1. [Interim Annual Appropriation] Interim Annual Appropriation Ordinance for Fiscal Year 1992-93. (Controller)

ACTION: Recommended.

4. File 170-92-4. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: to provide loans or grants for the seismic strengthening of unreinforced masonry buildings for affordable housing and market-rate residential and commercial purposes; that the estimated cost of three hundred-fifty million dollars (\$350,000,000) for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness: providing, that no more than thirty-five million dollars (\$35,000,000) of said authorization shall be sold in any one fiscal year; authorizing carry over of authorized indebtedness to subsequent fiscal years. (Supervisors Hsieh, Gonzalez)

(Cont'd from 6/3/92)

ACTION: Recommended.



5. File 170-92-5. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of correctional facilities, to replace the existing San Bruno Jail facilities, including replacement, housing, associated health and safety improvements and related acquisition, construction or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$158,100,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Gonzalez)

(Cont'd from 5/27/92)

ACTION: Recommended.

6. File 170-92-6. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of long term care facilities, including replacement of Laguna Honda Hospital facilities, improvements to existing Laguna Honda Hospital structures, and related acquisition, construction or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$548,400,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Gonzalez)

(Cont'd from 5/27/92)

ACTION: Tabled.

7. File 170-92-7. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of a Juvenile Justice Complex, including health and safety improvements, asbestos management, disabled access and structural and security improvements to the existing Youth Guidance Center and Juvenile Hall, a new juvenile Justice Complex and community based facilities, that the estimated cost of \$78,900,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Kennedy)

(Cont'd from 5/27/92)

ACTION: Tabled.

8. File 170-92-8. [General Obligation Bonds] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of Fire Department facilities, including seismic strengthening, asbestos abatement, disabled access, separate bathroom and changing areas for male and female firefighters improvements to the auxiliary water supply system and related acquisition, construction or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$97,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Conroy)  
(Cont'd from 5/27/92)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: construction and reconstruction of Fire Department facilities, including seismic strengthening, asbestos abatement, disabled access, separate bathroom and changing areas for male and female firefighters and related acquisition, construction or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$40,800,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness."

9. File 100-92-3. Hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget. (Supervisor Gonzalez)  
(Cont'd from 6/3/92)

ACTION: Filed.

10. File 224-92-1. Hearing to consider the effects of budget cuts on the small business community. (Supervisor Hallinan)

ACTION: Hearing held. Filed.

11. File 64-92-7. [Extension of Lease] Resolution authorizing extension of month-to-month rental agreement and lease of real property required by the Public Utilities Commission at 100 McAllister Street from the University of California, Hasting College of Law. (Real Estate Department)  
(Cont'd from 6/3/92)

ACTION: Amended on line 12, after "405" by adding "and", and by deleting "and 409". Further amended on line 13, by replacing "\$2,223.00" with "\$1,273.00", and on line 18, by replacing "\$26,676.00" with "\$15,276.00".  
Recommended as amended.

12. File 198-92-1. [Conservatorship Investigation Fees] Resolution increasing assessments for investigations in conservatorship cases as provided in Probate Code Section 1851.5 from \$210 to \$384. (Superior Court)  
(Cont'd from 6/3/92)

ACTION: Amended on page 1, line 17, and on page 2, line 3, by replacing "\$384.00" with "\$420.00". Recommended as amended. New title: "Increasing assessments for investigations in conservatorship cases as provided in Probate Code Section 1851.5 from \$210 to \$420."

13. File 192-92-2. [Grant – State Funds] Resolution authorizing the Executive Director of the Department of Parking and Traffic and the Director of Public Works to apply for, accept and expend \$450,000 of Transportation Development Act (TDA) Article 3 Funds for bicycle/pedestrian projects foregoing reimbursement of indirect costs. (Department of Parking and Traffic)  
(Cont'd from 5/27/92)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Authorizing the Director of Public Works to apply for, accept and expend \$225,000 of Transportation Development Act (TDA) Article 3 Funds for pedestrian projects foregoing reimbursement of indirect costs."  
(Supervisor Migden Dissenting)

14. File 123-92-1. [Excavation Fees] Ordinance amending Public Works Code, by amending Sections 352, 353, 368 and 374 and adding Sections 352.1 and 352.2, to authorize the Director of Public Works to set schedules of fees and to collect fees to recover costs of administering and regulating permitted excavations. (Department of Public Works)  
(Cont'd from 5/27/92)

ACTION: Recommended.

15. File 100-91-1.11. [Release of Funds] Requesting release of reserved funds, District Attorney, in the amount of \$40,000 for hiring policy of Assistant District Attorneys. (District Attorney)

ACTION: Hearing held. Release of \$27,508 recommended. Filed. (Supervisor Migden Dissenting)

16. File 101-91-72. [Government Funding] Ordinance appropriating \$123,240, Mayor's Office of Economic Planning and Development, for permanent salaries and related mandatory fringe benefits. RO #91223 (Controller)

ACTION: Recommended.

17. File 101-91-74. [Government Funding] Ordinance appropriating \$64,763,480, Department of Public Works, for various improvement project and \$236,520 for various program project budget. RO #91238 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$58,623,480, Department of Public Works, for various improvement projects and \$236,520 for various program project budgets; placing \$45,778,418 on reserve."

18. File 101-91-75. [Government Funding] Ordinance appropriating \$6,220,350, Police Department, for facilities maintenance projects (various Police facilities improvement). RO #91239 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$6,220,350, Police Department, for facilities maintenance projects (various Police facilities improvements); placing \$4,641,107 on reserve."

19. File 101-91-76. [Government Funding] Ordinance appropriating \$423,480, Public Library, for various capital improvement project. RO #91242 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$423,480, Public Library, for various capital improvement projects; providing for ratification of action previously taken."

20. File 101-91-77. [Government Funding] Ordinance appropriating \$972,000, Department of Public Health – DMSF, for capital improvement project (miscellaneous project services). RO #91243 (Controller)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Appropriating \$972,000, Department of Public Health – DMSF, for capital improvement project (miscellaneous project services); placing \$972,000 on reserve."

21. File 101-91-78. [Government Funding] Ordinance appropriating \$22,266, Department of Public Works, for capital improvement project (various locations, traffic signal installations) and certifying \$22,266 from capital improvement project (various locations – traffic signal installations), to cover overage above ten percent (10%) of contracted amount pursuant to provisions of Charter Section 7.203; providing for ratification of action previously taken. RO #91246 (Controller)

ACTION: Recommended.

22. File 101-91-79. [Government Funding] Ordinance appropriating \$330,000, Department of Public Works, for program project budget (repair and demolition). RO #91247 (Controller)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$286,000, Department of Public Works, for program project budget (repair and demolition)."

23. File 101-91-80. [Government Funding] Ordinance appropriating \$35,000, District Attorney, for litigation expenses. RO #91248 (Controller)

ACTION: Recommended.

24. File 101-91-82. [Government Funding] Ordinance appropriating \$65,000,000 for capital improvement project (Islais Creek Transport Storage) Public Works, for Fiscal Year 1991-92. (Supervisor Gonzalez)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$65,000,000 for capital improvement project (Islais Creek Transport Storage) Public Works, for Fiscal Year 1991-92; placing \$61,930,000 on reserve."

25. File 82-92-5. [Grant of Easement] Ordinance authorizing the conveyance of an easement to the Redevelopment Agency of the City and County of San Francisco; and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

ACTION: Recommended.

26. File 124-92-3. [Parking Meter Rates] Ordinance amending Traffic Code by amending Section 213, to increase the rates for parking meters within parking meter areas numbers 2, 3, and 4. (Department of Parking and Traffic)

ACTION: Amendment of the Whole bearing same title adopted. Continued to June 25, 1992.

27. File 124-92-4. [Parking Meter Rates] Ordinance amending Traffic Code by amending Sections 200, 202.A, 203.2, 203.3 and 203.4, to increase the rates for parking meters within parking meter areas numbers 2, 3, and 4. (Department of Parking and Traffic)

ACTION: Continued to June 25, 1992.

28. File 124-92-5. [Parking Meter Rates] Ordinance amending Traffic Code by amending Section 210, to increase the rates for parking meters within parking meter areas numbers 2, 3, and 4. (Department of Parking and Traffic)

ACTION: Recommended.

29. File 161-92-2. [Redevelopment Agency Budget] Resolution approving an Interim Budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1992-93. (Supervisor Gonzalez)

ACTION: Recommended.



IT IS THE INTENTION OF THE CHAIR TO CONTINUE THE FOLLOWING ITEM  
(FILE 115-92-9) TO THE CALL OF THE CHAIR AFTER HEARING PUBLIC  
TESTIMONY:

30. File 115-92-9. [Illegal Unit Amnesty] Ordinance amending Part II, Chapter II of the San Francisco Municipal Code (City Planning Code) by adding Section 207.3 to establish a 24-month amnesty period within which one dwelling unit in addition to those permitted in any zoning district (which unit was constructed prior to January 1, 1992 without benefit of permit) may be legalized; amending Section 161 to exempt legalized units from the parking requirements, and by adding Section 369 to impose a registration penalty; amending Article 37 of the San Francisco Administrative Code (Residential Rent Stabilization and Arbitration Ordinance); amending Section 37.2 to make all legalized units subject to rent board jurisdiction; amending Part II, Chapter XII of the San Francisco Municipal Code (Housing Code) by amending Section 353 to require an owner of a residential structure to obtain a physical inspection of the property prior to sale to determine the number of dwelling units; amending Section 503 to provide that ceiling heights for legalized units are only required to meet the minimum requirements mandated by State Law; amending Part II, Chapter I of San Francisco Municipal Code (Building Code) by adding Section 109 to allow for exemptions from certain code requirements; amending Section 202 to provide that if a density violation is discovered after the expiration of the amnesty period the property owner shall be liable for the full costs incurred by the City in detecting and abating the violation, and amending Section 332.3 to exempt units legalized during the amnesty period from payment of the work without permit investigation fee; adopting findings pursuant to Planning Code Section 101.1. (Supervisor Hallinan)

ACTION: Hearing held. Continued to the Call of the Chair.



CITY AND COUNTY



Public Library, Documents Dept.  
ATTN: Gerry Roth  
OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

June 8, 1992

TO: Finance Committee

FROM: Budget Analyst *Recommendations*

SUBJECT: June 10, 1992 Finance Committee Meeting

Item 1a - File 25-92-19

DOCUMENTS DEPT.

JUN 10 1992

SAN FRANCISCO

Department: Recreation and Park Department

Item: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar services performed by the City and County of San Francisco.

Services to be Performed: Security Services at the Zoo

Description: The Controller has determined that contracting for these security services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salary	\$213,517	\$252,283
Holiday Pay and Night Duty	13,659	16,136
Fringe Benefits	<u>60,695</u>	<u>69,252</u>
Total	\$287,871	\$337,671
<u>Contracted Service Cost</u>	<u>152,217</u>	<u>152,217</u>
<u>Estimated Savings</u>	\$135,654	\$185,454

**Comments:**

1. Security Services were first certified as required by Charter Section 8.300-1 in 1982 and have been continuously provided by an outside contractor since then.
2. The Recreation and Park Department is currently in the process of selecting a security guard service because the existing contract expires on June 30, 1992. On May 28, 1992, 7 potential contractors responding to a request for proposal RFP were given an on-site walkthrough. The final bids were due on June 5, 1992. The final selection will follow pending review of the bids.
3. The Controller's supplemental questionnaire with the Department's responses, including MBE/WBE status is attached.
4. The estimated Contracted Service Cost for 1992-93 is based on the 1991-92 cost of the current guard service adjusted by 60 cents per hour to reflect the comparable rates for guard services in the Bay Area.

**Recommendation:** Approve the proposed resolution.

CHARTER 8.300-1 (Proposition J) QUESTIONNAIREDepartment Rec & Park - SF ZooContract Services Is being selectedFor the term starting approximately July 1, 1992 through June 30, 1993

1) Who performed services prior to contracting out?

No one

2) Number of City employees laid off as a result of contracting out?

No one

3) Explain disposition of employees if they were not laid off.

N/A

4) What percent of a City employee's time is spent on services to be contracted out?

None

5) How long have the services been contracted out?

7/1/82

6) When was the first fiscal year for a Proposition J certification?

1982

7) How will contract services meet the goals of your MBE/WBE Action Plan?

The Contract is in the process of being selectedEfai Chen  
Department Representative656-7040  
Telephone





Memo to Finance Committee  
June 10, 1992

Item 1b - File 25-92-20

The attached reports of the Controller relates to the proposed resolution concurring with the Controller's certification of costs required by Charter Section 8,300-1 (Proposition J) that Budget Analyst services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

The Controller has certified that Budget Analyst services are provided at a lower cost by the current private contractor than if the work were performed by City employees.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

City and County of San Francisco

Office of Controller



May 18, 1992

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 235  
San Francisco, CA 94102

Attention: John L. Taylor, Clerk of the Board

Re: Contracting for Budget Analyst Services

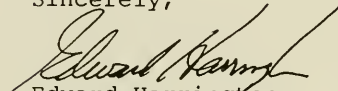
Dear Mr. Taylor:

The cost information and supplementary data provided by your office on the proposed contract for Budget Analyst services has been reviewed by my staff.

If the services are performed by the contractor at the proposed contract price, it would appear that the services can practically be performed at a lower cost than if the work were performed by City employees at presently budgeted levels. Our opinion is based on information provided that indicates that the comparable level of service would be provided by 16 full-time equivalent professional City employees. A statement of projected cost and estimated savings for the year commencing July 1, 1992 is attached for your review.

The requirements of Charter Section 8.300-1 relative to the Controller's findings that work can practically be performed by contract for the year 1992-93 have been satisfied. To complete requirements of the Charter, it will be necessary for your Department to secure approval by resolution of the Board of Supervisors before formal contract documents can be certified by my office.

Sincerely,

  
Edward Harrington  
Controller

Enclosure

cc: Thornton C. Bunch ERD, Mayor  
Harvey Rose, Budget Analyst Board of Supervisors  
Marvin Geistlinger, Purchaser

Board of Supervisors  
Budget Analyst Services  
Comparative Costs of City and Contractual Services  
1992-93

	<u>LOW</u>	<u>HIGH</u>
<u>City Services</u>		
Personnel Services	\$954,479	\$1,131,670
Employee Benefits	<u>\$227,344</u>	<u>\$261,176</u>
	\$1,181,823	\$1,392,846
Other Expenses	<u>\$74,126</u>	<u>\$74,126</u>
Projected Costs of City Services	\$1,255,949	\$1,466,972
<u>Contractual Services</u>		
Prior Year's Contract	\$1,153,290	
92-93 Civil Service Commission Salary Survey Recommendation Of 3/16/92 Average 8.98%	<u>\$103,565</u>	
92-93 Contract	<u>\$1,256,855</u>	<u>\$1,256,855</u>
<u>Estimated Savings</u>	<u>(\$906)</u>	<u>\$210,117</u>

Low - Salary costs are calculated on incremental Steps 1 and 2.

High - Salary costs are calculated on incremental Step 5.

Charter 8.300-1 (Proposition J) Questionnaire

Department Board of Supervisors  
Contract Services Budget Analyst  
Time Period July 1, 1992 through June 30, 1993

- 1) Who performed services prior to contracting out?  
Bureau of the Budget
- 2) Number of City employees laid off as a result of contracting out? None

- 3) Explain disposition of employees if they were laid off.

Two were transferred to other City departments; balance resigned in order to be hired by the contractor.

- 4) What percent of City employee's time is spent on services to be contracted out?

All Bureau of the Budget positions were full-time

- 5) How long have services been contracted out?

13 years, since January 1, 1979.

- 6) What was the first fiscal year for a Proposition J Certification?

FY 1978-79

- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

Contract services are consistent with the Board of Supervisors Department MBE/WBE Action Plan.

John Taylor  
Department Representative

Clerk of the Board of Supervisors  
(Type Name, Title)  
554-5184

Telephone

cx1quespj



Item 1c - File 25-92-21

**Department:** Public Utilities Commission

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar services performed by the City and County of San Francisco.

**Services to be Performed:** Paratransit Services

**Description:** The Controller has determined that contracting for these paratransit services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries and Fringe Benefits	\$7,594,607	\$8,404,867
Capital Depreciation	719,125	719,125
Operating Expenses	<u>646,614</u>	<u>674,163</u>
Total	\$8,960,346	\$9,798,155
<u>Contracted Service Cost</u>	<u>7,982,672</u>	<u>7,982,672</u>
<u>Estimated Savings</u>	\$977,674	\$1,815,483

- Comments:**
1. Paratransit services were first certified as required by Charter Section 8.300-1 in 1984 and have been provided by an outside contractor since 1979.
  2. The current contract with Cerenio Management Group extends from October 1, 1991 through June 30, 1996. Cerenio Management Group is a City-certified MBE and WBE.
  3. Ms. Annette Williams, the Manager of the Elderly and Handicapped Programs for MUNI, reports that the contracted service cost of \$7,982,672 is based on Cerenio Management Group's estimation of its fiscal year 1992-93 costs of providing paratransit services. Ms. Williams also notes that the analysis includes the assumption that the continued planned expansion of paratransit services during 1992-93 will occur. This planned expansion is made possible through funding from the half cent sales tax

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

increment (Proposition B) approved by the voters in November, 1989.

The Public Utilities Commission (PUC) is budgeting for a maximum of 871,114 passenger trips of paratransit service to approximately 10,700 disabled clients for fiscal year 1992-93, which is a 17.7 percent increase over the approximately 740,000 passenger trips provided in fiscal year 1991-92.

4. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

Charter 8.300-1 (Proposition J) Questionnaire

Department PUC/Municipal Railway  
Contract Services Paratransit  
Time Period 07/01/92 - 06/30/93

- 1) Who performed services prior to contracting out?

Service has always been contracted out.

- 2) Number of City employees laid off as a result of contracting out?

None

- 3) Explain disposition of employees if they were laid off.

N/A

- 4) What percent of City employee's time is spent on services to be contracted out?

20% of one full time equivalent contract Administrator plus  
3 hours per month of a 1630 Accountant.

- 5) How long have services been contracted out?

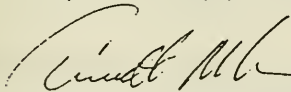
Twelve (12) years.

- 6) What was the first fiscal year for a Proposition J Certification?

Fiscal Year - 1983/84

- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

The Broker services are currently performed by an MBE/WBE firm and not less than 30% of all service is provided by MBE/WBE firm(s).



Department Representative

Annette M. Williams, Manager, Accessible Services Program

(Type Name, Title)

(415) 923-6142

Telephone

cxlquespj



Item 1d - File 38-92-17

**Item:** Resolution authorizing the City to accept a gift from the Business Community of San Francisco of artistic painting services valued at approximately \$24,000 for the decorative painting of temporary plywood surfaces in the main rotunda of the San Francisco City Hall.

**Description:** After the Loma Prieta Earthquake of October, 1989, temporary shoring was installed to stabilize the stone surfaces in the rotunda and various other locations throughout City Hall. The City has subsequently installed plywood sheathing over the exposed temporary shoring in and around the rotunda.

The Business Community of San Francisco has offered to pay for an artist to paint the plywood sheathing. The donation would include the designing process and the execution of the design, in addition to labor and material costs.

**Comments:** 1. According to Mr. Keith Grand the Risk Manager for the City, the City should require, that before work is started, the organization performing the work should be required to ensure that liability and workers compensation insurance is in force. According to Mr. Grand, such insurance should be equivalent to what other contractors hired by the City would be required to provide.

2. The Budget Analyst was unable to determine that the private funding or services have been secured and what organization, if any, has donated funds or services for the project. Because of the uncertainty of the donation, the Budget Analyst recommends that the proposed resolution be continued until this gift has been secured.

**Recommendation:** Amend the proposed resolution in regards to providing proof of proper liability and workers compensation insurance.

Continue the proposed resolution to the call of the Chair.





Item 1e - File 38-92-18

**Departments:** Recreation and Park Department

**Item:** Resolution accepting a gift from the True North Foundation for the Park Maintenance Fund

**Amount:** \$10,000

**Source of Funds:** True North Foundation

**Description:** According to Mr. Tim Lilliquist of the Recreation and Park Department, this gift is intended for the Friends of Recreation and Park, not for the City.

**Comment:** Should the City have a project that the Friends of Recreation and Park would support with the subject gift funds, the Board of Supervisors would be requested to accept the gift of the Friends of Recreation and Park at such time for the specific project.

**Recommendation:** Table the proposed legislation.



Item 1f - File 61-92-2

- Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)
- Item:** Resolution granting an extension of time of 76 additional calendar days for awarding Municipal Railway Contract No. MR-1039-R Curtis E. Green Light Rail Facility Geneva Site - Maintenance Building Paint Booth Fans Modification.
- Description:** On January 27, 1992, the Municipal Railway received and opened bids for the modification of the paint booth fans in MUNI's Curtis E. Green Light Rail Facility, Geneva Site, Maintenance Building.
- On May 12, 1992, the Public Utilities Commission awarded this contract in the amount of \$43,450 to E. Mitchell, Inc. of San Francisco, pending the firm's certification as a WBE and LBE by the City's Human Rights Commission.
- The Public Utilities Commission's MBE/WBE/LBE Contracts Compliance Office was unable to render a determination as to the responsiveness of E. Mitchell, Inc.'s certification as a WBE/LBE within 60 days of the receipt of bid. Because this is a MBE/WBE/LBE question, the time limit for awarding the contract is 60 days rather than 30 days. Therefore the Public Utilities Commission is requesting that the Board of Supervisors, in accordance with Section 6.1 of the Administrative Code, extend the time to award MUNI Contract No. MR-1039-R Curtis E. Green Light Rail Facility Geneva Site - Maintenance Building Paint Booth Fans Modification by 76 days calendar days.
- Comments:**
1. However, according to Mr. Arnold Baker of the Public Utilities Commission, E. Mitchell, Inc. has been certified by the Human Rights Commission as a WBE/LBE.
  2. The time between the opening of the bids, January 27, 1992 and the awarding of contract MR-1039-R on May 12, 1992 is 106 calendar days, less the 60 days allowed for MBE/WBE/LBE determination, leaves 46 days. Therefore, the proposed resolution should be amended to extend the time to award the contract by 46 calendar days, to May 12, 1992.
- Recommendation:** Amend the proposed resolution by amending line 22, to read "hereby approves an extension of time to May 12, 1992, forty-six additional calendar days." Approve the amended resolution.

**BOARD OF SUPERVISORS**  
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Item 1g - File 61-92-3

- Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)
- Item:** Resolution granting extension of time of 114 additional calendar days for awarding Municipal Railway Contract No. MR-1035-R Kirkland Motor Coach Facility, Security Fencing and Gates.
- Description:** On December 20, 1991, the Municipal Railway received and opened bids for security fencing and gates at the Kirkland Motor Coach Facility.
- On May 12, 1992, the Public Utilities Commission awarded this contract in the amount of \$387,000 to Angotti & Reilly/T.E. Joo, a Joint Venture.
- In order to respond to bid protests received, the Public Utilities Commission was unable to award the contract within 30 days of the receipt of bid. Therefore, the Public Utilities Commission is requesting that the Board of Supervisors, in accordance with Section 6.1 of the Administrative Code, extend the time to award MUNI Contract No. MR-1035-R Kirkland Motor Coach Facility, Security Fencing and Gates.
- Comments:**
1. The time period between the opening of the bids on December 20, 1991 and the awarding of the contract on May 12, 1992 is 114 calendar days less the 30 days allowed for resolving bid protests, which leaves 84 days. However, the proposed resolution requests an extension of 114 days. The proposed resolution should be amended so that the length of the extension is 84 days.
  2. The proposed resolution to extend the awarding of contract MR-1035-R, does not specify the date applicable to the end of that extension, which when amended to 84 calendar days is May 12, 1992. The proposed resolution should therefore be amended to specify the date of May 12, 1992.
- Recommendation:** Amend the proposed resolution by amending line 21, to read "hereby approves an extension of time to May 12, 1992, eight-four additional calendar days." Approve the amended resolution.

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Item 1h - File 101-90-77.1

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Release of reserved funds for security fencing and gates for the Kirkland Motor Coach Facility, Municipal Railway Contract No. MR - 1035 - R, Kirkland Motor Coach Facility.

**Amount :** \$167,243

**Source of Funds:** Transportation Development Act Grant

**Description:** On March 20, 1991, the Board of Supervisors approved a supplemental appropriation of \$167,243 of FY 1986-87 State Transportation Development Act (TDA) grant funds for the purpose of installing a security fence and gates at the Muni's Kirkland Yard (Ordinance #131-91). The Finance Committee placed this appropriation on reserve pending information on the identity of the contractors and their MBE/WBE status.

MUNI is now requesting the release of \$167,243 to proceed with the awarding of the contract for the Kirkland Motor Coach Facility, Security Fencing and Gates (MUNI Contract # MR-1035-R).

A total of six bids were received in response to the Invitation to Bid. The bids for Contract Number MR-1035-R were opened on December 20, 1991. The following firms submitted bids.

<u>Name of Firm</u>	<u>Bid Amount</u>
Angotti & Reilly/T.E. Joo	\$387,000
A Joint Venture	
San Luis Construction	395,000
Echo West and Hok Construction	406,000
A Joint Venture	
Cuevas-Mannion Construction	449,000
Fence Factory	459,549
A. Ruiz Construction	529,227

Angotti & Reilly/T.E. Joo was selected as the lowest bidder with a bid of \$387,000. Angotti & Reilly/T.E. Joo is a joint venture with T.E. Joo being certified by the Human Rights Commission as a MBE.

**Comments:** 1. Kirkland Yard is a MUNI operating facility located in the Fisherman's Wharf area at North Point and Stockton Streets. The work to be accomplished consists of installing a ten-foot

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high perimeter steel picket fence and five electrically operated roll up doors. According to Ms. Gail Bloom of the PUC, once fully installed, the fencing will reduce the incidence of vandalism of MUNI vehicles parked in the Kirkland Yard.

2. According to Mr. Arnold Baker of the PUC, T.E. Joo will have 35 percent (\$135,450) participation on this project.

3. The source of the remaining \$219,757, (\$387,000 total contract amount less \$167,243 reserved funds) required for the project would be Federal Urban Mass Transportation Administration (UMTA) funds that have previously been approved by the Board of Supervisors for security purposes.

**Recommendation:** Approve the proposed release of reserve funds in the amount of \$167,243.

Item 1i - File 148-91-8.1

**Department:** Department of Public Works (DPW)

**Item:** Release of reserved funds for consultant services for planning and environmental work for the Embarcadero Freeway Replacement Project.

**Amounts:** \$1,674,600 (from Resolution 575-91)  
275,400 (from Resolution 559-91)  
\$1,950,000 Total

**Source of Funds:** Federal Highway Administration Emergency Relief Funds and State Highway Funds

**Description:** On June 12, 1991, the Board of Supervisors authorized the Director of Public Works to apply for \$58.5 million in Federal Highway Administration Emergency Relief Funds for the planning, design and construction of a subsurface alternative to the Embarcadero Freeway, and to accept and expend \$4,593,600 of said funds for planning and environmental work for the project. In addition, the Board reserved \$1,674,600 of the \$4,593,600 for various contractual services related to the planning and environmental work, pending provision of contractual details, hourly rates and the MBE/WBE/LBE status of the contractors (File 148-91-8).

On June 12, 1991, the Board of Supervisors authorized the Director of Public Works to apply for \$11.0 million in State Highway Funds for the planning, design and construction of a subsurface alternative to the Embarcadero Freeway, and to accept and expend \$756,400 of said funds for planning and environmental work for the project. In addition, the Board reserved \$275,400 of the \$756,400 for various contractual services related to the planning and environmental work, pending provision of contractual hours, hourly rates and the MBE/WBE/LBE status of the contractors (File 148-91-9). Therefore, the total amount of funds on reserve for planning and environmental work for the Embarcadero Freeway Replacement Project is \$1,950,000 (\$1,674,600 plus \$275,400).

The DPW is now requesting a release of the entire amount of \$1,950,000 of reserved funds. DPW has selected the consulting firm of Parsons Brinckerhoff Quade & Douglas, Inc. (PBQ&D) to provide the contractual services related to the planning and environmental work for the Embarcadero Freeway Replacement Project at a cost of \$1,476,932.

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The DPW is requesting that the full amount of reserved funds be released so that the remaining balance of \$473,068 (\$1,950,000 less \$1,476,932) can be spent for contingencies. This would result in a contingency of over 32 percent.

Before DPW accepted the PBQ&D proposal, DPW had budgeted the following for various contractual services:

Environmental Assessment	\$600,000
Traffic Study	250,000
Hazardous Waste Testing	500,000
Archaeology Study	250,000
Soil Study	<u>350,000</u>
Total Contractual Services	\$1,950,000
Budget	

PBQ&D's proposal for the above-named contractual services included the following proposed cost distribution by PBQ&D and its subcontractors (including their DBE, MBE, WBE status):

<u>Name of Firm</u>	<u>Dollar Amount of Work</u>	<u>Percentage of Contract</u>
PBQ&D	\$ 611,549	41.4
Douglas Wright Consulting	95,748	6.5
Aileen C. Hernandez Associates (DBE/MBE/WBE)	67,575	4.5
Public Affairs Management (DBE/WBE)	152,002	10.3
Finger & Moy (DBE/MBE)	72,025	4.9
Baseline Environmental Consulting (DBE/WBE)	129,575	8.8
Jonas & Associates (DBE/MBE)	73,947	5.0
E.M. Rose & Associates (DBE/MBE)	62,484	4.2
Harding Lawson Associates	63,214	4.3
Wilson, Ihrig & Associates	58,939	4.0
Korve Engineering	56,484	3.8
Document Production (DBE Printer)	<u>33,390</u>	<u>2.3</u>
Total	\$1,476,932	100.0

As noted above, of the total of \$1,476,932 in contractual costs, \$590,998 or 40 percent of the project will be done by Disadvantaged Business Enterprise (DBE)/MBE/WBE firms.

PBQ&D's proposal notes that the contractors involved in this project will devote a total of 16,808 hours to the project and that the hourly rates charged by the contractors range from \$12.00 to \$61.25.

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The estimated budget for the Planning Phase (Environmental and Preliminary Engineering) for the Embarcadero Freeway Replacement Project was as follows:

<u>City Departments</u>	<u>Amount</u>
Department of Public Works	\$2,900,000
Department of Parking & Traffic	250,000
City Planning Department	220,000
City Attorney	5,000
Real Estate Department	35,000
Bureau of Environmental Regulation & Management (DPW)	40,000
<u>Consultant</u>	
PBQ&D	1,500,000
Contingencies	<u>450,000</u> <u>1,950,000</u>
Total	\$5,400,000

**Comments:**

1. Ms. Sara Pickus, Project Manager at the DPW, reports that the requested funds are needed to do the environmental impact report (EIR) portion of the Embarcadero Freeway project, irrespective of whether the City decides to build a subsurface or surface road. Ms. Pickus advises that the EIR work must be done before construction work can begin, and that reports about a large increase in the cost estimates for replacing the Embarcadero Freeway only presented the most expensive alternative. Ms. Pickus notes that the Chief Administrative Officer will be sending a letter to the Board of Supervisors clarifying this matter.

2. Ms. Pickus advises that the amount requested to be released for these contractual services and contingencies should be \$1,950,000 rather than \$1,949,600, due to an error in the DPW's letter to the Board of Supervisors requesting this release of funds.

3. Ms. Mary Gin Starkweather of the Human Rights Commission advises that PBQ&D is not a DBE, but that, as previously noted, PBQ&D's DBE subcontractors will accomplish 40 percent of the work. Therefore, the Human Rights Commission has approved the PBQ&D bid as meeting the DBE requirements.

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4. Ms. Pickus reports that the DPW has decided to request that the Board of Supervisors release the balance of \$473,068 for contingencies rather than for contributions toward various City departments' costs toward the Embarcadero Freeway replacement project, as the DPW had originally requested. The DPW is making this request for the release of the entire \$1,950,000 to avoid having to make separate requests to the Board in the future. However, the Budget Analyst has noted previously that the DPW's proposed contingency would represent over 32 percent of the contract amount. A 10 percent contingency of the contract amount of \$1,476,932 would be \$147,693, resulting in a total amount of \$1,624,625.

**Recommendation:** Release \$1,624,625 as noted above. Continue to reserve \$325,375.

Item 1j - File 133-90-1.5

**Departments:** Chief Administrative Officer, Solid Waste Management Program  
Recreation and Park Department

**Item:** Requesting release of the reserve on the Solid Waste Management Program Budget to purchase a chipper/shredder for a proposed Recreation and Park Department composting program.

**Amount:** \$80,000

**Source of Funds:** Refuse Collection and Disposal Fees Impound Account

**Description:** The Sanitary Fill Company, a partnership of Sunset Scavenger Company and Golden Gate Disposal Company, contracts to operate the City's refuse collection center and to haul refuse to the landfill site in Altamont. The Refuse Collection and Disposal Rate Board requires that the Sanitary Fill Company set aside a certain amount of funds each year from the refuse collection fees charged to San Francisco residents and businesses in an impound account. This set-aside of fees is calculated based on the number of tons of solid waste collected by the refuse contractors. A portion of the impound account is used to finance the City's Solid Waste Management Program budget plus other landfill related costs. The total 1990-91 budget for the Solid Waste Management Program was \$2,081,876.

When approving this budget in August 1990, the Board of Supervisors placed a reserve on \$80,000 pending an evaluation of the equipment to be purchased with the \$80,000. The Solid Waste Management Program had the proposed equipment evaluated as part of its December 1991 Final Composting Plan prepared by a private consulting firm. This Composting Plan recommends the purchase of a Royer Model 365 Shredder with Trash-away Conveyor costing approximately \$80,000.

With the purchase of the proposed shredder, the Recreation and Park Department would initiate a new composting operation. The proposed composting operation would compost all of the manure and straw generated from the Zoo and the Police Horse Stable and other horticultural debris from Golden Gate Park. The Department would use currently filled positions and owned equipment to haul and load the debris into the proposed shredder. The Department estimates that the proposed composting program would save at least an

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estimated \$17,600 annually in scavenger fees by recycling the shredded and composted Zoo, Park, and Police Stable wastes rather than having the wastes hauled away by the scavengers.

**Comments:**

1. The Budget Analyst will be reviewing the Recreation and Park Department's budget for a reduction of scavenger fees, as a result of the proposed new equipment purchase.

2. The Recreation and Park Department would be responsible for the cost of maintaining the proposed Chipper/Shredder. Mr. Jim Cooney of the Recreation and Park Department estimates that the maintenance cost for the proposed equipment would be very low for the first three years of operation.

**Recommendation:** Approve the proposed resolution.



Item 1k - File 133-90-1.6

**Department:** Chief Administrative Officer,  
Solid Waste Management Program

**Item:** Release of reserved funds for technical consulting assistance and training on waste reduction methods in Large Quantity Generators (LQG).

**Amount:** \$50,000

**Source of Funds:** Refuse Collection and Disposal fees Impound Account

**Description:** The Board of Supervisors previously placed on reserve a total of \$325,000 for consultants to perform in the various components of the Solid Waste Management Program, (File 133-90-1).

Of the total \$325,000 of reserved funds, \$50,000 was reserved pending the selection of contractors and information regarding hours, rates and the MBE/WBE status for one segment of the Hazardous Waste Management Program. The requested funds would be used to provide technical assistance related to waste reduction in the LQGs, and provide training to operators of LQGs on methods to reduce hazardous waste.

The Solid Waste Management Program has selected seven engineering consultants, as well as the firms of WRITAR, PRC Management, and Synergistics Group. The seven contracted engineers would provide technical assistance, and the firms of WRITAR, PRC Management and Synergistics Group would conduct trainings, follow-up audits, manage the seven engineers, and conduct outreach to businesses on waste reduction methods in Large Quantity Generators.

The Solid Waste Management Program selected the consulting firms of WRITAR, PRC Management, and Synergistics Group according to HRC requirements for contracts under \$10,000 which do not require a Request for Proposal (RFP) process. The Solid Waste Management Program selected three firms each in the categories of Technical Assistance, Waste Reduction Training, and Environmental Consulting and sent them Scope of Work estimates with a request for bids. The firm with the lowest bid in each category was hired. The seven engineering contractors responded to advertisements solicited through four professional organizations: American Society of Civil Engineers; American Institute of Chemical Engineers; Society of Women Engineers and; Northern California

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Council of Black Engineers. Seven applicants responded and all seven were hired.

**Budget:**

Personal Service Engineers (7)

Technical Assistance for Waste Reduction  
in LQGs.

	<u>Rate</u>	<u>Hours</u>	MBE/WBE <u>Status</u>	<u>Total</u>
	\$15.00	1,333	No	20,000
<u>WRITAR</u>				
Conduct trainings on waste reduction in LQGs			No	10,000
<u>PRC Management</u>				
Technical assistance to engineers			No	10,000
<u>Synergistics Group</u>				
Scheduling, and business outreach			No	<u>10,000</u>
Total				\$50,000

**Comment:**

As noted above, none of the seven engineering contractors nor the three consulting firms selected are certified as MBEs or WBEs.

**Recommendation:** Approve the proposed release of reserve.

Item 11 - File 57-91-2.4

**Department:** Chief Administrative Officer (CAO),  
Solid Waste Management Program

**Item:** Release of reserved funds for graphic design services to develop a Student Recycling Handbook,(Nancy Hom, Graphic Designer).

**Amount :** \$2,000

**Source of Funds:** Refuse Impound Account

**Description:** The Board of Supervisors previously placed on reserve \$2,000 for the development of a Student Recycling Handbook pending submission by the Solid Waste Management Program of the selection of a contractor, budget, and MBE/WBE status, (File 57-91-2).

The Solid Waste Management Program has selected Nancy Hom, Graphic Designer for their graphic design services. Nancy Hom would design and illustrate a 32-page student handbook containing background information and activities related to recycling. The handbook would be distributed free of charge through the Solid Waste Management's field trip program for school age children.

The Solid Waste Management Program selected the contractor, Nancy Hom, Graphic Designer, under a Request for Proposal (RFP) process. Nancy Hom was one of six respondents and was selected based on the quality of her work.

**Budget:** Nancy Hom,Graphic Designer

Rough Layout	\$500
Final Design	500
Final Layout	<u>1,000</u>
Total	\$2,000

**Comment:** According to the Human Rights Commission, Nancy Hom is not certified with the City as an MBE/WBE.

**Recommendation:** Approve the proposed release of reserve.

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Item 1m - File 79-91-2.3

**Department:** Mayor's Office of Economic Planning and Development

**Item:** Release of reserved funds from the Homeless Assistance Program Pool, the 1991 and 1992 Community Development Block Grant (CDBG) Programs for an Alcohol Drop-In Center at 39 Fell Street, operated by Chemical Awareness and Treatment Services.

**Amount:** \$518,340

**Source of Funds:** Community Development Block Grant Funds

**Description:** On December 8, 1990, the Board of Supervisors approved the City's 1991 Community Development Block Grant Program (File 79-90-4) in an amount of \$20,016,923. At the same time, the Board of Supervisors placed \$200,000 from the 1991 CDBG Homeless Assistance Program Pool on reserve for renovation costs of homeless shelters.

On December 9, 1991, the Board of Supervisors approved the City's 1992 Community Development Block Grant Program (File 79-91-21) in an amount of \$20,093,535. At the same time, the Board of Supervisors placed \$500,000 for the 1992 CDBG Homeless Assistance Program Pool on reserve, pending the Mayor's Office selection of a site for a proposed drop-in center for homeless individuals and providing budget details on this project.

In March, 1992, the Board approved the release of \$61,660 from the \$500,000 on reserve from the 1992 CDBG Homeless Assistance Program Pool for the Traveler's Aid Transbay Outreach Project (File 79-91-2.1), leaving a balance of \$438,340 on reserve.

In May, 1992, the Board approved the release of \$120,000 from the \$438,340 balance on reserve from the 1992 CDBG Homeless Assistance Program Pool to fund the Community Housing Partnership, a non-profit agency, in connection with its administrative oversight of the rehabilitation of the Senator Hotel and the San Christina Hotel in San Francisco (File 79-91-2.2). With the release of the \$120,000, there was a remaining balance of \$318,340 in the 1992 Homeless Assistance Program Pool reserve.

The Mayor's Office is now requesting a release of the \$200,000 on reserve from the 1991 CDBG Homeless Assistance Program Pool and the \$318,340 on reserve from the 1992 CDBG Homeless Assistance Program Pool, for a total of

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



\$518,340. The \$518,340 would be used to rehabilitate a proposed site at 39 Fell Street for an Alcohol Drop-in Center operated by Chemical Awareness and Treatment Services (CATS), a non-profit agency. The Alcohol Drop-in Center would provide short-term refuge to and assist approximately 50 homeless adults with alcohol and/or drug problems at any given time.

The Board of Supervisors authorized the DPH to accept and expend up to \$2,231,619 of a three-year grant for the San Francisco Homeless Addiction and Long-Term Treatment Program (HALT) from the State of California Department of Alcohol and Drug Programs on October 28, 1991 (File 146-91-71). Subsequently, the DPH, through its RFP process, selected CATS to provide the HALT Program's drop-in center services. On July 1, 1991, CATS was awarded a contract amount of \$417,056 by the DPH for fiscal year 1991-92 to operate the Alcohol Drop-in Center. Therefore, the release of the \$518,340 would be the final step before the proposed site can be fully renovated and the Alcohol Drop-in Center made fully operational.

The proposed rehabilitation project is budgeted as follows:

Demolition	\$8,200
Bathroom/Shower	65,000
Ceramic Tile Floors/Walls	34,000
Kitchen Cabinet	7,780
Laundry Plumbing	21,000
Partitions	80,000
Acoustical Ceiling	28,000
Doors/Hardware	26,000
Flooring and Base	45,000
Painting	14,000
Storage and Countertops	30,000
Domestic Water Connection	4,360
HVAC (heating, ventilation and air conditioning)	75,000
Water Heater	7,500
Electrical Outlets/Panels	18,000
Lighting	20,000
Alarm System	14,000
Glazing	10,000
Security Gate	<u>10,500</u>
Total Renovation Budget	\$518,340

**Comments:**

1. Mr. Jon Pon of the Mayor's Office reports that Chemical Awareness Treatment Services expects to award the renovation contract through a competitive bid process in

**BOARD OF SUPERVISORS**  
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June, 1992 and to begin permanent rehabilitation of the first floor of the Fell Street Alcohol Drop-In Center in July, 1992.

2. Mr. Pon further reports that CATS will not award the renovation contract until the agency has a certified grant agreement between the Mayor's Office and CATS, and that the Controller's Office will not certify the grant agreement until the Board of Supervisors approves the release of the \$518,340.

**Recommendation:** Release the reserve funds totaling \$518,340.



Item 1n - File 150-92-2

**Department:** Recreation and Park

**Item:** Resolution authorizing the Department of Recreation and Park to retroactively apply for a new grant for Pier 54's public boat launching ramp and waiving indirect costs.

**Grant Amount:** Up to \$500,000

**Grant Period:** July 1993 to July 1995

**Source of Funds:** State Department of Boating and Waterways

**Project:** Reconstruction of the Public Boat Launching Facility at Pier 54 to meet the needs of boaters and provide public access to the Bay.

**Description:** The Recreation and Park Department proposes to apply for a grant from the State Department of Boating and Waterways for the reconstruction of Pier 54's Public Boat Launching Ramp. The boat launching facility is provided free of charge to the public by the City and County of San Francisco, however, recent storms have rendered the facility almost unusable. The City would like to replace the existing ramp which would then meet the needs of the public and provide improved access to the Bay.

**Budget:**

<u>Pier 54 Rehabilitation Construction Cost Estimate</u>	
Design, engineering report	\$50,000
Pavement removal, grading	150,000
One-lane concrete launching ramp	100,000
Boarding floats and gangways	85,000
Shoreline and Landscaping	30,000
Contingencies	60,000
Engineering and Administration	<u>25,000</u>
Total	\$500,000

**Indirect Costs:** The Department of Boating and Waterways does not allow indirect costs to be included in grants awarded by their Department.

**Comments:**

1. The proposed legislation would authorize the Recreation and Park Department to apply for the proposed grant from the Department of Boating and Waterways. The Department would submit legislation requesting authorization to accept and expend this grant at a future date.

2. The Recreation and Park Department has already applied for the proposed grant because the deadline for submission of the proposed grant application was June 1, 1992. The proposed legislation, therefore, provides for the Board of Supervisors to approve the proposed legislation retroactively.

3. Since the Department of Boating and Waterways does not allow the inclusion of indirect costs in grants awarded by their Department, the Department of Recreation and Parks requests the Board of Supervisors to waive the indirect costs.

4. A Disability Checklist is contained in the file.

**Recommendation:** Approve the proposed resolution.

Items 2 and 3 - Files 102-92-1 and 101-92-2

1. These items are the Interim Annual Appropriation Ordinance (File 101-92-2) and Interim Annual Salary Ordinance (File 102-92-1) for Fiscal Year 1992-93.

2. The annual budget process for the City and County requires that the Board of Supervisors approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance for fiscal year 1992-93 on or before June 30, 1992. The purpose of these interim ordinances is to provide position and expenditure authorization for the various departments of the City and County during the time that the Board of Supervisors is reviewing the Mayor's recommended budget for 1992-93 which is scheduled to be adopted by the Board of Supervisors on July 20, 1992.

3. The Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance are based on the 1992-93 proposed budget recommendations of the Mayor. Hence, these ordinances include authorization and funding for all programs and program revisions which are included in the Mayor's proposed 1992-93 budget. Each program and program revision will be reviewed in detail during the budget hearings and sessions which have been scheduled by the Finance Committee from June 16 through June 25, 1992.

4. As a general policy, in previous years, the Board of Supervisors has not approved new positions and programs during the interim budget period without detailed review. This general policy has been implemented by instructing the Controller not to certify the availability of funds for new positions, new programs or program expansions during the interim budget period between July 1 and July 31. If an exception is approved by the Board of Supervisors, new positions can be filled effective July 1. Otherwise, new positions will generally not be filled until August 1 at the earliest.

5. The Administrative Provisions of the Interim Annual Appropriation Ordinance further state that no funds shall be allotted until August 1 for capital improvements and equipment. However, leased equipment is not subject to this provision. In certain cases, specific exceptions to these general policies have been approved by the Board of Supervisors. Exceptions have been based on such factors as new positions and programs that produce revenue and/or major service deficiencies which would result from delays in filling new positions or starting new programs. Approval of some equipment purchases could result in cost savings.



6. The following draft amendments to the Administrative Provisions of the Annual Appropriation Ordinance (AAO) have been prepared for 1992-93 by the Controller (See Attachment I, Controller's letter, dated June 5, 1992):

- a. The threshold for purchase of items of equipment under objects 220 or 231 has been increased in accordance with previous recommendations of the Budget Analyst (Section 6).
- b. The Controller will be authorized to transfer reserve funds to implement the dental plan (Section 10.4).
- c. A new Section 11.7 is added which would permit the Treasurer to refund excess arbitrage (interest earnings above prescribed limits) from either bond reserves or interest earnings accounts.
- d. Under a new Section 11.21, the Treasurer will be authorized to use either compensating balances or fees for service, when in the best interest of the City, to secure banking services.
- e. Superfluous Port appropriations procedures will be deleted (Section 19).
- f. Provides for specific procedures for the transfer of Airport Revenue Fund monies to accommodate debt service (Section 26).

The Controller has advised that there are no changes to the charges and deductions for various services, such as charges for meals at San Francisco General Hospital and the cost for meals at the O'Shaughnessy Guest Cottage. Therefore the Controller is not proposing any amendments to the Administrative Provisions of the Annual Salary Ordinance.

7. Section 3.2 of the Administrative Code provides that any amendments to the Administrative Provisions of the Annual Salary Ordinance shall be submitted by the Civil Service Commission to the Board of Supervisors. Accordingly, the Civil Service Commission prepared and submitted one proposed amendment to Section 1.3B of the Administrative Provisions of the Annual Salary Ordinance. This amendment results in an increase in the maximum allowable rate of pay for part-time employees from the current rate of \$707 per month to \$768 per month, representing a \$61 increase per month, or 8.6 percent. This amendment was recommended by the General Manager, Personnel based on the average salary increase granted to Miscellaneous employees for 1992-93. Since salaries were frozen in 1991-92, the 1992-93 figures include two years of salary standardization.

Additionally, the General Manager of Personnel has recommended one other amendment to the Administrative Provisions of the 1992-93 Annual Salary Ordinance, adding Section 1.1B as follows:

A vacancy may be filled in a substitute classification within the same occupational group provided that the Civil Service Commission has received complete position information and approved use of the substitute classification, that the Controller certifies that funds are available, and that the duration of the substitute requisition shall not extend beyond the current fiscal year, except that renewal of the exchange will be permitted if the substitute classification is approved in the following year's budget. The Controller shall not allow this provision to be used to fill positions that have been abolished as a result of early service retirements under Charter Section 8.517-2.

If this proposed amendment is approved, it will provide City departments with increased flexibility for effecting upward reclassifications, which can result in promotions, without initial individual review and approval of each classification by the Board of Supervisors prior to the reclassification action taking effect. Both the Controller as well as the Civil Service Commission staff are supportive of this proposed amendment, pointing out that in addition to providing departments with more flexibility, it will still require Civil Service to approve only those classifications within the same occupational group and will require certification by the Controller that funds are available. Furthermore, the upward reclassifications must subsequently be approved by the Board of Supervisors in the following year's budget if such reclassifications are to continue beyond Fiscal Year 1992-93.

While the Budget Analyst concurs with the Controller's Office and Civil Service staff that this flexibility is a desirable management tool, the Budget Analyst recommends against removing any authority from the Board of Supervisors concerning upward reclassifications, even though such reclassifications will have to be ultimately approved in the following year's budget if such reclassifications are to continue to be in effect.

8. In past years, the Mayor's recommended Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance have, in general, been routinely approved by the Board of Supervisors, with the exception of new positions and new programs, capital improvements and equipment.

9. At the direction of the Finance Committee and the full Board of Supervisors, the Budget Analyst has historically been instructed to analyze the Mayor's recommended budget in detail and make recommendations for reducing the Mayor's recommended budget only if such recommendations do not result in service level reductions. Budget reductions recommended by the Budget Analyst and approved by the Board, have often been used by the Board of Supervisors as a source of funds, for increasing appropriations for capital improvements and requesting the Mayor (a) to restore items deleted in the Mayor's recommended budget and/or (b) include new items in the budget based on the priorities of the Board of Supervisors. Except for capital improvements, the Board of Supervisors cannot unilaterally add any item back to the Mayor's budget. The restoration or addition of expenditures to the Mayor's recommended budget (except for capital

improvements) first requires approval by the Mayor and then subsequent appropriation approval by the Board of Supervisors.

Besides the customary budget reports and recommendations, the Budget Analyst will also be reporting on the impact of expenditure reductions included in the Mayor's recommended 1992-93 budget on service levels. Since such reductions have already been effected in the Mayor's recommended 1992-93 Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance, these reductions have been reflected in the Interim Budget.

10. Such reductions would include savings from layoffs, which, according to the Mayor's Office, are scheduled to become effective on August 1. According to Mr. Al Walker, General Manager, Personnel, approximately 50 layoffs of City and County employees are expected as a result of the Mayor's proposed budget. However, due to bumping and re-employment rights of persons occupying these 50 positions, and an estimated 90 positions expected to result in layoffs from the Unified School District, Civil Service expects to process between 200 and 400 personnel transactions.

11. Approval of the Mayor's recommended 1992-93 Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance by the Board of Supervisors would implement all expenditure reductions, and revenue increases that are not dependent on legislative approval by the Board of Supervisors, which the Mayor has included in the final budget. In accordance with the 1992-93 budget calendar, the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance are scheduled to be passed for second reading at the June 15 meeting of the Board of Supervisors. Final passage of these ordinances is scheduled for June 22.

12. The Budget Analyst has been advised by Mr. Burk Delventhal of the City Attorney's Office that the Board of Supervisors is required to approve the Mayor's recommended 1992-93 Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (and therefore the Interim Budget), subject to any additional reductions which the Board may choose to make, by no later than June 30, 1992. Mr. Delventhal has further advised the Budget Analyst that if these ordinances are not approved by the Board of Supervisors by June 30, 1992, the Controller will no longer have authority to issue payroll warrants to City and County employees or to issue other warrants to pay for any other City and County services.

Mr. Ed Harrington, the City Controller, has advised the Budget Analyst that he concurs with the opinion of Mr. Delventhal. The Controller will cease to issue any further City and County warrants unless the Board of Supervisors approves an Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (the Interim Budget) by June 30, 1992.

13. The proposed Interim Budget includes expenditure appropriations supported by certain revenue increases that are dependent on legislative approval by the Board of Supervisors. This amount requiring legislative approval exceeds \$31.0 million of the total new revenues needed to balance the Mayor's budget. In addition to the new revenues requiring legislative approval, numerous other fee and revenue increases, not requiring legislative approval, have been included in the Mayor's recommended 1992-93 budget. The Budget Analyst will be reporting on each of these revenues during the budget hearings conducted by the Finance Committee.

These revenue measures include (1) MUNI fare increases in the amount of \$9.0 million, (2) a one percent increase from 5 percent to 6 percent in the Utility Users Tax on commercial users and the extension of this tax to foreign and interstate telephone calls (\$11 million), (3) a fee for a one-time amnesty for illegal in-law apartment units (\$5 million), (4) Increased Parking Meter rates (\$2.0 million to the General Fund), (5) Increased rates for City-owned Parking Garages (\$4.0 million), and (6) various Departmental fee increases in lesser amounts.

Although the Mayor's budget message refers to a prior year's pledge to reduce the 25 percent Parking Tax to 20 percent, there is no legislation pending before the Board of Supervisors to effect such a reduction and the Mayor's recommended 1992-93 budget does not provide for reduced revenues from a related reduced Parking Tax rate.

### **Recommendation**

Except for the amendments as itemized below, approve the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance, including the Administrative Provisions of the Interim Annual Appropriation Ordinance and the Administrative Provisions of the Interim Annual Salary Ordinance as recommended by the Controller (see Point 6 above) and the amendment to Section 1.3B (see Point 7 above) of the Administrative Provisions of the Annual Salary Ordinance as recommended by the Civil Service Commission: (If the Board of Supervisors concurs, the Interim Budget would be effective until the Annual Appropriation Ordinance and the Annual Salary Ordinance are finally approved by the Board and signed by the Mayor.)

1. Disapprove the amendment to Section 1.1B of the Administrative Provisions of the Annual Salary Ordinance as recommended by the General Manager of Personnel which would remove authority from the Board of Supervisors for upward reclassifications (see Point 7 above).

2. Provide for the following amendments until the Annual Appropriation Ordinance and Annual Salary Ordinance are finally approved by the Board of Supervisors and signed by the Mayor:



- a. That all funding and authorization for new positions and new and expanded programs be reserved during the interim budget period through July 31, subject to the specific exceptions listed in Attachment II.
- b. That funding for capital improvement projects except normal facilities maintenance projects and those capital improvements identified in Attachment III be reserved during the interim budget period.
- c. That funding for items of equipment be reserved during the interim budget period subject to the specific exceptions identified in Attachment IV. That all departments be requested not to lease any new equipment during the interim budget period through a letter to all Departments from the Clerk of the Board.

The exceptions to the Interim Appropriation Ordinance shown in Attachments II, III and IV are recommended by the Budget Analyst. The interim exceptions not recommended by the Budget Analyst were withdrawn by the Mayor's Office. In addition, the Mayor's Office intends to submit additional Interim Appropriation Ordinance exceptions for consideration by the Finance Committee. These additional exceptions were not prepared in time to be addressed in this report.

Excluding the exceptions recommended by the Budget Analyst in the attachments to this report, the above-noted reserves recommended by the Budget Analyst will enable the Finance Committee to review the Mayor's recommended 1992-93 budget in detail before recommending approval of new items to the full Board of Supervisors.



June 5, 1992

Board of Supervisors  
Room 235 - City Hall  
San Francisco, California 94102

Attention: Finance Committee

Ladies and Gentlemen:

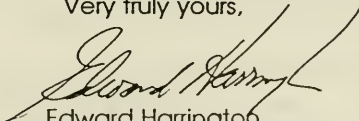
Attached are proposed administrative provisions for the Interim Annual Appropriation Ordinance (AAO) of the City and County of San Francisco for the fiscal year 1992-93.

The Charter requires the Board to adopt an Interim Annual Appropriation Ordinance on or before June 30th and a final Annual Appropriation Ordinance no earlier than July 15 or later than August 1st.

The administrative provisions are essentially the same as exist in the 1991-92 Annual Appropriation Ordinance except for minor changes explained herein. The Ordinance has been adjusted to include revisions made by the Board of Supervisors during the year 1991-92; to delete language which, in the opinion of the Controller, is superfluous; to reflect technical corrections; and to renumber certain sections. These changes are detailed on the charts and narrative attached.

Your approval of the revised administrative provisions of the Interim Annual Appropriation Ordinance for 1992-93 is recommended. These provisions will also apply to the final Appropriation Ordinance adopted by the Board following budget deliberations this summer.

Very truly yours,



Edward Harrington  
Controller

Attach: AAO

CC: Clerk of the Board  
Budget Analyst  
Mayor's Budget Office  
City Attorney

Finance.SP



## CHANGES RECOMMENDED

### ANNUAL APPROPRIATION ORDINANCE 1992-93

An explanation of the recommended changes to each section of the AAO being proposed for amendment is set forth in detail below:

**Section 6** governs the mechanics of the expenditure process and provides for the method of acquiring and disposing of equipment. Currently, funds for the purchase of items of equipment having a significant value of over \$400 and a useful life of three years and over would be encumbered in, and purchased from, equipment objects. The proposed change would raise the value from \$400 to \$1,000.

**Change:** Funds for the purchase of items of equipment having a significant value of over ~~(((\$400))~~ \$1,000 and a useful life of three years and over shall be encumbered in purchased from Objects #220 - Equipment, or #231 - Lease-purchased Equipment.

**Section 10** governs transfers of funds appropriated for personal service expenditures.

**Section 10.4** is a proposed new section which would authorize the Controller to transfer funds from reserves or any legally available source amounts necessary to provide for dental plan premiums and related costs previously agreed to in ratified Memoranda of Understanding.

**Change:** The Controller is authorized and directed to transfer from reserves, or any legally available funds, amounts necessary to provide for dental plan premiums and related costs previously agreed to in ratified Memorandum of Understanding. The Controller shall report in writing to the Mayor and the Board of Supervisors annually any appropriation adjustments made pursuant to this section.

Section 11.7

is a proposed new section which would also authorize the Controller to refund excess interest earnings on bond proceeds (arbitrage) in compliance with Internal Revenue Service regulations.

Change: The Controller is hereby authorized and directed to refund excess interest earnings on bond proceeds (arbitrage) when such amounts are reported by the Treasurer as due and payable under applicable Internal Revenue Service regulations. Such arbitrage refunds shall be charged against interest earnings or reserves in the various bond funds in which the arbitrage earnings were recorded and such funds are hereby appropriated for the purpose.

Section 11.21

is a proposed new section which would authorize the Treasurer to use either a compensating balance or fee for service agreement when securing banking services, whichever is more beneficial to the City and County.

Change: Whenever the Treasurer finds it is in the best interest of the City and County to use either a compensating balance or fee for service agreement to secure banking services, any funds necessary to be paid for such agreement are to be charged against interest earnings of both pooled and non-pooled cash balances and such funds are hereby appropriated for the purpose.

Section 19 concerning the Port Commission is proposed for deletion due to language which is superfluous.

Change: ((Surplus existing in appropriations herein made for personal services shall not be transferred to a compensation reserve, appropriation for salaries and wages are also provided, however, that in the event the Port Commission's requirements are such that when a vacant position, occasioned by death, retirement or

Change: separation caused by industrial accident where a lump sum accumulated sick leave benefits had been or will be paid to the former occupant of such position, must be filled immediately, the Port Commission may fill such position, upon certification of availability of such funds by the Chief Accountant, Port Commission, without recommendation by the General Manager, Personnel, but with the approval of the Mayor and approval by Resolution of the Board of Supervisors.))

Section 26 concerns the transfer from the Airport's Revenue Fund to the City's General Fund of monies which constitute the annual service payment provided in the Airline - Airport Lease and Use Agreement.

The proposed change would add language to allow the Airport to satisfy debt coverage ratios for outstanding Airport revenue bonds.

Change: On the last business day of the fiscal year, unless otherwise directed by the Airports Commission, the Controller is hereby authorized and directed to transfer all monies remaining in the Airport's Contingency Account which are being held for debt coverage purposes to the Airport's Revenue Fund. The Controller is further authorized and directed to return such amounts as were transferred from the Contingency Account, back to the Contingency Account from the Revenue Fund unappropriated surplus on the first business day of the succeeding fiscal year, unless otherwise directed by the Airports Commission.

Following is a chart which shows the changes between the 1991-92 and 1992-93 Ordinance.

<u>Ordinance 1992-93</u>	<u>1991-92 Section</u>	<u>Explanation of Change</u>
Section 1.	No change	
Section 2.	No change	
Section 3.	No change	
Section 4.	No change	
Section 5.	No change	
Section 6.		Equipment value increased from \$400 to \$1,000.
Section 7.	No change	
Section 8.	No change	
Section 9.	No change	
Section 10.	No change	
Section 10-1	No change	
Section 10-2	No change	
Section 10-3	No change	
Section 10-4	No change	
Section 10.1	No change	
Section 10.2	No change	
Section 10.3	No change	
Section 10.4	New section	Authorized Controller to transfer funds to provide for dental plan premiums and related costs previously agreed to in ratified Memoranda of Understanding.

<u>Ordinance 1992-93</u>	<u>1991-92 Section</u>	<u>Explanation of Change</u>
Section 11.	No change	
Section 11.1	No change	
Section 11.2	No change	
Section 11.3	No change	
Section 11.4	No change	
Section 11.5	No change	
Section 11.6	No change	
Section 11.7	New section	Authorizes Controller to refund excess earnings on bond proceeds (arbitrage) in compliance with Internal Revenue Service regulations
Section 11.8		Same as Section 11.7 in 1991-92
Section 11.9		Same as Section 11.8 in 1991-92
Section 11.10		Same as Section 11.9 in 1991-92
Section 11.11		Same as Section 11.9.1 1991-92
Section 11.12		Same as Section 11.9.2 1991-92
Section 11.13		Same as Section 11.9.3 1991-92
Section 11.14		Same as Section 11.10 in 1991-92
Section 11.15		Same as Section 11.10.1 1991-92
Section 11.16		Same as Section 11.11 in 1991-92
Section 11.17		Same as Section 11.12 in 1991-92
Section 11.18		Same as Section 11.13 in 1990-91
Section 11.19		Same as Section 11.14 in 1991-92
Section 11.20		Same as Section 11.15 in 1991-92

<u>Ordinance 1992-93</u>	<u>1991-92 Section</u>	<u>Explanation of Change</u>
Section 11.21		Authorizes Treasurer to use either a compensating balance or fee for service agreement when securing banking services.
Section 12	No change	
Section 13	No change	
Section 14	No change	
Section 15	No change	
Section 16	No change	
Section 17	No change	
Section 18	No change	
Section 19	No change	
Section 20	deleted	Language concerning the Port Commission is superfluous.
Section 21	No change	
Section 22	No change	
Section 23	No change	
Section 24	No change	
Section 25	No change	
Section 26		Adds language to allow the Airport to satisfy debt coverage ratios for outstanding Airport revenue bonds.
Section 27	No change	
Section 28	No change	
Section 29	No change	
Section 30	No change	



**RECOMMENDATIONS BY THE  
BUDGET ANALYST  
ON THE INTERIM BUDGET EFFECTIVE JULY, 1 1992**

**NEW POSITIONS AND PROGRAMS**

Page No./Object  
(Index Code)

Page 1395/  
object 8141  
(379156)

**Retirement System**

Work Order - Two new claims adjusters positions (six months) to be work ordered by Muni for \$40,000 to handle Muni's workers compensation claims effective July 1, 1992. These positions will assist in the timely review and transition of claims to the proposed new outside contract for a Third Party Administrator (TPA) which will be effective in February of 1993.

Page 703  
Object 010  
(640037)

**Department of Social Services**

Prop. J (Children's Fund) funded positions. Two new Senior 2912 Social Worker positions are proposed in the DSS GAIN program budget.

Under the Prop J plan approved by the Mayor and the Board of Supervisors, \$225,000 in new Prop J funds is allocated to DSS for expansion of GAIN services to teen parents. The funds are intended to leverage \$337,500 in Federal JOBS money.

Page 1158/  
Object 001  
(301507)

**Assessor**

Inclusion in the Interim Budget Funding for the Class AA37, Executive Assistant to the Assessor, and three (3) Class AA38, Property Transfer Assistants.

These are substitute positions that are offset by the elimination of 3 other positions. The Executive Assistant position will allow the Assistant Assessor to reduce administrative workload and increase managerial and technical supervision of assessment functions. The Property Transfer Assistants are revenue producing.

RECOMMENDATIONS BY THE  
BUDGET ANALYST  
ON THE INTERIM BUDGET EFFECTIVE JULY, 1 1992

NEW POSITIONS AND PROGRAMS

Page No./  
(Index Code)

Page 439/  
Object 109  
(387019)

**Water Department**

Outside consultant study for Site Characterization at Lake Merced (Object 109) - \$140,000. The Regional Water Quality Control Board has directed the Water and Recreation and Park Departments to conduct an investigation of lead contamination at Lake Merced caused by the operation of the Pacific Rod and Gun Club. Lead has accumulated in the sediment of the lake, threatening its beneficial uses.

The Regional Board has reviewed and approved the work plan for the study and advised the City to begin the study immediately. In addition, the Regional Board has made it clear that it will recommend an enforcement order against the City if the work is not started this spring. The enforcement order would very likely place the City on a stringent compliance schedule and result in additional costs in the form of penalties.

Page 327/  
Object 001  
(336016)

**Hetch Hetchy**

Position Substitutions: 7102 S Maintenance and Repair Assistant Supervisor, \$60,300

Hetch Hetchy's 1992-93 budget request includes the reorganization of the Project Operations Division as a means of improving organizational effectiveness, solving existing staffing problems, shortening the chain of command and reducing the operating budget.

This reorganization was made possible by vacancies created from the passage of Proposition A--vacancies that have resulted in staffing problems throughout the Division. Specifically, the Maintenance and Repair Division--the largest Division at Moccasin with 55 positions--is currently operating without a supervisor. As a result, a great deal of the Superintendent's time is spent on daily supervision.

Hetchy's General Manager would like to immediately fill the 7102 Maintenance and Repair Assistant Superintendent position so that the Project Superintendent can more effectively manage the overall operation.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

RECOMMENDATIONS BY THE  
BUDGET ANALYST  
ON THE INTERIM BUDGET EFFECTIVE JULY, 1 1992

CAPITAL IMPROVEMENTS

Page No./  
Project Number

Cap. Budget  
Page 18  
Project 762-01

**Hetch Hetchy**

Project 762-01, San Joaquin Pipeline #2, Segment III,  
\$2,500,000.

The purpose of this project is to remove the deteriorating interior cement mortar lining and replace it with a new 1/2 inch-thick cement mortar lining in the interior surface of the 61-inch-diameter pipeline. The length of the repair is approximately five miles.

Interim funding is requested because Hetch Hetchy needs to complete repairs to this segment of the pipeline by December 31, 1992 to meet the operational demands of water and power generation. Work is being performed currently on segment II of the pipeline and segment III work is scheduled to commence in July 1992.

RECOMMENDATIONS BY THE  
BUDGET ANALYST  
ON THE INTERIM BUDGET EFFECTIVE JULY, 1 1992

NEW EQUIPMENT

Page No./  
Equipment No.  
(Index Code)

Page 208/  
Equipment No.  
76001Z  
(421016)

**Animal Care and Control**

The Department has eliminated funds for a contractor for picking up dead animals and replaced this function with a temporary City employee (presently) which will become permanent in the new budget. Purchase of this truck and related equipment as soon as possible is necessary according to the CAO.

76001Z Pickup Truck with Radio.



Item 4 - File 170-92-4

**Note:** This item was continued by the Finance Committee at its meeting of June 3, 1992.

**Proposed Action:** The proposed resolution would determine and declare that the public interest and necessity demand the acquisition, construction, or reconstruction by the City and County of the following municipal improvements, to wit: to provide loans or grants for the seismic strengthening of Unreinforced Masonry Buildings (UMBs) for affordable housing and market-rate residential and commercial purposes; that the estimated cost of \$350 million for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of bonded indebtedness; provided, however, that no more than \$45 million of this authorization shall be sold in any one fiscal year.

**Amount:** \$350 million

**Description:** The State of California has enacted legislation that requires all localities to identify UMBs and to establish a program to mitigate the hazards of UMBs resulting from a major earthquake. The State will not reimburse the City for the costs of the program. Ms. Judy Boyajian of the City Attorney's Office reports that, according to State law, should the City not implement a seismic strengthening program by January 1, 1993, the City would then be precluded from implementing any such seismic strengthening program for commercial UMBs that is less restrictive than State-imposed requirements. The State law would not apply to retrofits of residential UMBs in the City and County of San Francisco if the City makes findings that deviations from State law are required due to local conditions.

To address the hazards of UMBs, a Task Force on Unreinforced Masonry Buildings, appointed by the Chief Administrative Officer (CAO), has been meeting regularly for the past five years to develop a seismic strengthening program for UMBs. The activities of the Task Force have resulted in a proposed Seismic Strengthening Program, as described below. The goals of the Seismic Strengthening Program are to retrofit the maximum number of UMBs in order to protect lives and to preserve affordable housing, jobs, neighborhood character, and historically significant buildings.

The City's proposed Seismic Strengthening Program is delineated in proposed new sections amending the City's Building Code. The proposed Chapter 14, titled "Earthquake Hazard Reduction in Unreinforced Masonry Bearing Wall



Buildings," covers the scope of the proposed UMB Program, general compliance requirements, and the administration of the Program. The proposed new Chapter 15, titled "Seismic Strengthening Provisions for Unreinforced Masonry Bearing Wall Building," contains the technical requirements for seismic strengthening of unreinforced masonry bearing wall buildings.

The major general provisions of the proposed UMB Program are as follows:

- a. Residential unreinforced masonry buildings containing less than five dwelling units or guest rooms and used solely for residential purposes would be exempted from the UMB Program.
- b. The Superintendent of the Bureau of Building Inspection would be required to issue an order to the owner of each building within the scope of the UMB Program to initiate UMB retrofit actions. The order would contain a copy of the proposed Chapters 14 and 15 of the Building Code, a commentary on these chapters, a sample inventory form and an engineering report summary form. The owner or the owner's agent may appeal the Superintendent's order to the Board of Examiners.
- c. The owners of UMBs in receipt of the Superintendent's order would be required to have a structural analysis of the UMB performed. If the building does not meet the minimum standards specified in the Building Code, except as provided for in the proposed UMB Program, the owner must have the building structurally altered to conform to such standards or have the building demolished.
- d. The results of the structural analysis, complemented by an inventory form, a risk assessment, and an engineering report that details applicable retrofit requirements, all within specified time limits that are dependent on the UMB's assigned level of risk, would be submitted to the Bureau of Building Inspection. If this \$350 million bond proposal is not approved by the City's electorate, owner's of UMBs would not be required to have the seismic strengthening work performed. All seismic upgrading would be required to be completed within 13 years of passage of this \$350 million General Obligation bond proposal.
- e. This proposed legislation does not require alteration of existing electrical, plumbing, mechanical, fire protection or life-safety systems that are in compliance with the respective codes in effect at the time of their original legally permitted construction or installation.

f. Section 1509(b), which would be a part of the newly created Chapter 15 of the San Francisco Building Code, describes the minimum standards to be applied to UMB structures. Buildings with sufficient mortar strength and crosswalls may upgrade to a "Bolts Plus"<sup>1</sup> level if other described weaknesses are addressed. Assembly, educational and institutional buildings, those with rigid floor systems, those over six stories tall (Building Code occupancy classifications A, E and I), and those with remaining deficiencies, must upgrade to Uniform Code for Building Conservation (UCBC) standards.<sup>2</sup> Retrofit beyond the level described in Section 104(f) of the existing San Francisco Building Code will not be required.

The Task Force estimates that the cost of retrofitting the City's approximately 2,000 UMBs to make them seismically safe is \$450 million. According to Mr. David Prowler of the CAO's Office, an estimated 78 of the approximately 2,000 UMBs would not be subject to the provisions of the seismic strengthening program because they are residential UMBs containing less than five units. Although the estimated cost is \$450 million, this proposed legislation would only provide financing for \$350 million.

The proceeds from the proposed \$350 million General Obligation bond issue would provide funds for the seismic strengthening of privately owned UMBs. The proposed bond program would provide financial assistance in the form of loans to owners of UMBs. The \$350 million loan principal plus interest would be paid off by loan payments made by UMB owners and by property taxes. Item 24, File 246-92-1 of the June, 1992, Finance Committee calendar, is a hearing to consider the creation of a Special Assessment District to finance the seismic retrofit of UMBs. The hearing sponsor reports that the development of a Special Assessment District could be an alternative to issuing General Obligation bonds or could be used to supplement such bonds.

Property owners would pay the majority of the seismic strengthening costs. The eligible uses of bond loan monies would be for construction costs, the costs of other Building Code requirements that are caused by the seismic strengthening work, including handicapped accessibility modifications, and

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<sup>1</sup> The "Bolts Plus" retrofit level requires anchoring walls to floors and roofs plus measures to strengthen walls.

<sup>2</sup> The UCBC retrofit alternative requires supplementing the Bolts Plus alternative by strengthening other building elements including floors, roofs, and walls. In some cases, new reinforced masonry or concrete walls, or shotcrete (sprayed concrete) over existing walls may be needed.

costs, such as architects' and engineers' fees, that are associated with construction work.

The bond proposal sponsor estimates that the proposed \$350 million bond authorization would be allocated as follows:

	Amount in <u>Millions</u>
Apartment building and residential hotels that provide affordable housing (50 percent of the floor space is devoted to residential use and 60 percent of the units are affordable for persons with incomes that are no more than 80 percent of median)	\$150
Market rate residential properties and nonresidential properties engaged in commercial activities	<u>200</u>
Total proposed bond issue	\$350

As noted above, the resolution states that no more than \$45 million of the \$350 million authorization could be sold in any one year.

**Comments:**

1. Section 43607 of the State Government Code requires a two-thirds vote of all members of the Board of Supervisors for adoption of this resolution.
2. The proposed resolution does not authorize the issuance of the \$350 million in General Obligation bonds, but declares the public interest and necessity for the proposed issuance. Should the bonds be authorized, all bond expenditures would be subject to future appropriation by the Board of Supervisors.
3. The bond proposal sponsor intends that the General Obligation bonds would not be tax-exempt because the bond proceeds would be used for "private activities." Tax-exempt bonds may be available for the low-income portion of the UMB Program, however, a number of requirements, such as obtaining an allocation from the California Debt Limit Allocation Committee, enforcing a Regulatory Agreement with the borrower for a 15-year period, identifying all projects using a particular bond issue prior to issuance, and reserving at least 20 percent of every residential project for very-low income households at correspondingly low rents for the 15-year Regulatory Agreement period.

4. Although the proposed legislation provides that no more than \$45 million for the \$350 million authorization sought could be sold in any one year, the bond proposal sponsor currently intends that no more than \$35 million be sold in any one year. The \$35 million annual sale authorization would be on a cumulative basis, i.e., any sums less than \$35 million sold in any year could be added to the \$35 million sale authorization for any subsequent year.

5. Seismically deficient public buildings are undergoing bond-financed retrofit. Bond-financed funding of \$59,700,000 in 1989 and \$332,000,000 in 1990 has been approved for this purpose.

6. Current provisions of the proposed bond proposal that would apply to affordable housing are as follows:

a. Bond funds would be loaned to owners of affordable housing at an interest rate equal to one-third of the City's cost, with a 20-year term, secured by a deed of trust on the property. However, the bond proposal provides that up to \$60 million in such loans could be deferred for buildings with 60 percent of floor space dedicated to residential use, where 80 percent of the units are affordable to persons whose income does not exceed 80 percent of median income. Unpaid interest would be added to the loan principal;

b. Mitigation of the impact of rent increases on tenants would be a factor in determining the loan terms for owners;

c. Units in buildings included in the affordable housing provisions of the loan program would be required to be maintained at a determined level of affordability for as long as the loan is outstanding, or for 20 years, whichever is greater;

d. Rent increases to cover upgrading costs could be passed through to tenants within the guidelines of the Rent Ordinance, with limitations to ensure that rents remain affordable to low and very low income tenants;

e. Buildings unable to service the full debt necessary for seismic upgrading, even with all units producing income at maximum affordable rent levels, would be able to defer repayment of interest and principal until the cash flows permit repayment, or until the building was sold.

7. Current provisions of the bond proposal that would apply to market rate residential and commercial buildings, are as follows:

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a. Market rate loans, equivalent to the City's cost plus 100 basis points (one percent), would be made to UMB owners of market rate residential and commercial buildings;

b. Loans would be secured with a deed of trust on the property or, as an alternative, a deed of trust on other real property;

c. Loans would be amortized over a 20 year period.

8. The City's Deputy Fiscal Officer who oversees the City debt issuances, Ms. Laura Wagner-Lockwood of the CAO's Office, reports that if the bonds were sold today, the probable interest rate would be between 8.0 percent and 9.0 percent.

9. As of the writing of this report, the term of the bonds and the pay back period for borrowers had not been definitely decided upon. However, for purposes of estimating costs, debt servicing, property tax effects, and other variables, Ms. Wagner-Lockwood has used a bond term of 20 years. Other current assumptions include that the bonds would be issued in 10 series of \$35 million each with an overall interest rate of nine percent, beginning in fiscal year 1992-93, that the repayment interest rate for affordable housing UMBs would be three percent, and that the repayment interest rate for commercial and market-rate residential UMBs would be 10 percent. Attachment I to this report contains the proposed phased issuance of the bonds.

10. Attachment II to this report displays a tentative bond program, as developed by Ms. Wagner-Lockwood. Using the assumptions previously cited, Attachment II shows that the proposed \$350 million bond sale would result in a total bond interest cost of approximately \$417 million and a total debt service requirement of approximately \$767 million. Over the 29-year period of the loan and repayment program, this would result in an average debt service of approximately \$26.4 million per year.

11. The first three columns of Attachment II show Total Interest, Total Principal, and Annual Debt Service for each year of the currently proposed 29-year loan and repayment program. Those figures represent the sums the City would liable for to the bondholders. The next six columns represent loan payments that UMB borrowers would be liable to the City for. The Maximum Loan Debt Service column shows the maximum sum the City could expect to collect from affordable housing and commercial and market-rate housing borrowers, combined. Also factored into the model are the effects of deferred loan payments, loan defaults, administrative costs, the resulting Net Loan Debt Service that would be paid from property taxes, and

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the percentages of Total Debt Service that would be paid by loan payments and by property taxes.

12. The parameters used in the model shown in Attachment II would result, for the first year of the 20-year term of the bonds, in a debt service paid by property taxes of \$2,398,000, or an approximately \$0.0042 per \$100 of assessed value increase in the property tax rate. At that rate, the owner of a house assessed at \$250,000, would pay approximately \$10 in additional annual property taxes due to this bond issue. The maximum annual debt service paid by property taxes, \$12,732,000 each for fiscal years 2003 through 2006, or an approximately \$0.0142 per \$100 of assessed value increase in the property tax rate. At that rate, the owner of a house assessed at \$250,000 would pay a maximum of approximately \$36 in additional annual property taxes in the year 2003 due to this bond issue.

13. As currently proposed, the loan program would be administered by a private financial institution. Program rules, regulations, and guidelines would be adopted by the Board of Supervisors, following receipt of recommendations by a four-member program committee appointed by the Board of Supervisors. The four-person program committee would consist of one member each representing tenants, owners, financial institutions, and the community at large. The program committee would determine eligibility and loan criteria. However, the City would retain the right to decline any application if the loan did not meet the purposes of the program, or for other reasons established in the guidelines.

14. The City's General Obligation bond capacity is equal to three percent of the City's total assessed property value. The City's current outstanding General Obligation bond capacity, less previously approved bond issues, will be \$1.08 billion on June 30, 1992, according to the CAO. The CAO estimates that the City's debt capacity will increase by \$78.6 million in 1992-93 with the expected increase in the value of assessed property, but increase an additional \$20.4 million because some debts would be retired, for a net increase of \$99 million. The proposed \$350 million General Obligation bonds would reduce the City's legal bonding capacity by whatever portion of the \$350 million is actually issued and outstanding at any given time. In 1992-93, the CAO anticipates that \$35 million of the proposed \$350 million UMB bonds would be sold.

15. In addition to the City's existing General Obligation bond indebtedness of \$507 million and this proposed \$350 million bond issue, one General Obligation bond indebtedness proposition for



Golden Gate Park Improvement Bonds for \$76,300,000 was approved by the City's electorate on June 2, 1992.

16. Further, General Obligation bond indebtedness of \$882.4 million is being considered by the Finance Committee on June 10, 1992, for placement before the City's electorate in the November, 1992, General Election, as follows:

<u>Purpose</u>	<u>Amount</u>
Fire Protection Systems	\$97,000,000
Juvenile Justice Complex Construction Bonds	78,900,000
Laguna Honda Hospital Construction Bonds	548,400,000
San Bruno Jail Construction Bonds	<u>158,100,000</u>
Total	\$882,400,000

17. The bond proposal also notes that the City would incur Program administrative costs estimated to be \$1,250,000 per year for the first 13 years of the Program. Thereafter, the estimated administrative costs decrease to an estimated \$500,000 per year. Over the proposed total 29 year repayment period, the City's estimated administrative costs would total approximately \$24.25 million. The details of these administrative costs are not yet available. Administrative costs, after the origination period, could be covered by loan repayments. Such administrative costs funded by the bonds would be subject to future appropriation approval by the Board of Supervisors.

18. Mr. Jack Pizza of the City Attorney's Office reports that amendments to the proposed UMB bond legislation concerning issues of affordability and loan allocations may be made prior to the June 10, 1992, meeting of the Finance Committee, or that those concerns could be addressed subsequently in separate legislation. As of the writing of this report, the Budget Analyst had not received any amendments to the proposed legislation.

19. As noted above, the total of the five proposed bond issues is \$1,232,400,000. In June, 1992 four bond issues were considered by San Francisco voters, as follows:

Proposition A: Golden Gate Park Improvements	\$76,300,000
Proposition B: Civic Center Improvements	26,700,000
Proposition C: Civic Center Parking Garage Improvements	24,000,000
Proposition D: Civic Center Heating System	<u>21,220,000</u>
TOTAL	\$148,220,000

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Of the four bond proposals, only the Golden Gate Park Improvements bond was approved.

The \$148,220,000 total bond proposals considered by the voters in June, 1992 represent 12 percent of the total bond proposals of \$1,232,400,000 currently being considered by the Finance Committee. The \$76,300,000 approved by the voters in June, 1992 for Golden Gate Park Improvements represents six percent of the current bond proposals being considered by the Finance Committee.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors. If the Board of Supervisors decides to approve the proposed resolution, amend lines 12 and 13 on page one of the proposed resolution to provide that no more than \$35 million dollars of said authorization shall be sold in any one fiscal year, on a cumulative basis.



Item 5 - File 170-92-5

Note: This item was continued from the May 27, 1992 Finance Committee meeting.

**Department:** Sheriff's Department

**Item:** Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: construction and reconstruction of correctional facilities to replace the existing San Bruno Jail Facilities, including replacement housing, associated health and safety improvements and related acquisition, and construction or reconstruction necessary or convenient for the foregoing purposes; determining and declaring that the estimated cost of \$158.1 million for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and will require the incurring of a bonded indebtedness.

**Amount:** \$158.1 million

**Description:** The proposed bond issue in the amount of \$158.1 million would provide funds for the construction of a replacement facility for the San Bruno Jail. The main components of the replacement and upgrade project are as follows:

**•Replacement Housing** **\$62,550,000**

The Sheriff's Department proposed the construction of two buildings containing 384 cells each, for a total of 768 cells. Each building would also contain multipurpose program space for education, counseling, and other support programs.

**•Services and Administration Building** **\$19,652,000**

The proposed new service building would provide a new heating plant, centralized kitchen and laundry for the entire jail system, and administrative and intake support areas. Storage areas for these operations, which are included in the \$19,652,000 Services and Administration portion of the budget at \$1,262,000, would be provided in a separate building.

**•Site Improvements** **\$2,415,000**

Site improvements would include: (1) addressing environmental, health and other code issues at the existing sewer plant and gun training range; (2) increasing security at the site with additional fencing and lighting; (3) improving site circulation with new roads; and (4) addressing deferred

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maintenance issues at the site's other buildings, such as the barn and vehicle housing structures.

**•Remodel the Existing Women's Building \$1,800,000**

The San Bruno Women's Jail has been gutted, leaving a shell in which improved facilities may be constructed, using previously approved bond funds. However, such bond funds are insufficient to rebuild the shell into a useful building, the Sheriff's Department advises. Funds would be included in the proposed bond issue to rebuild the San Bruno Women's Jail.

**•Remodel Satellite Medical Clinic Areas \$1,200,000**

Remodel existing space at County Jail #3, which would then last for the five to six years it takes to rebuild the facility. The satellite medical clinics, located at the Hall of Justice, are used by County Jail prisoners for basic medical care. The existing satellite clinics are not designed to serve the volume of prisoners who require medical services. The proposed bond issue would support remodelling these satellite clinics so that they can provide adequate service. According to the Sheriff's Department, such remodelling would not render the satellite medical facilities adequate for permanent use, but would allow the satellite medical facilities to be used for five to six years, until new medical facilities are completed as part of the new San Bruno Jail complex.

**•Demolition of the Existing**

**San Bruno Jail Building**

**\$1,457,000**

According to the Sheriff's Department, if the current jail facility is not demolished immediately upon completion of the replacement facility, the Sheriff would most likely be forced by population pressures to put prisoners back into the old building in the future. However, the proposed bond issue is designed to replace the current facility, not to add bed space and perpetuate the failings of the current structure, the Sheriff advises. The existing facility does not meet existing safety and other codes, and should not be occupied. Therefore, funds would be included in the proposed bond issue to demolish the current facility.

SUBTOTAL

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\$89,074,000

Other miscellaneous costs for construction include:

Site Work and Utilities \$8,326,000

Inflation (5 percent per year until 1995) 12,600,000

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Pre-Bid Design Contingency, at 10 percent (excluding Construction Contingency)	11,000,000
Post-Bid Construction Contingency, at ten percent (including Design Contingency)	<u>\$12,000,000</u>
Subtotal Miscellaneous Costs	<u>\$43,926,000</u>
Total Construction Costs	\$133,000,000

In addition, non-construction costs are as follows:

Department of Public Works Costs

Architectural/Engineering	\$11,654,000
Construction Management (to be performed either by a contractor or by the DPW)	3,896,000
Bureau of Architecture	
Bond and Project Control	<u>4,237,000</u>
Total DPW Costs	\$19,787,000
Testing	265,000
Art Enrichment (Charter-mandated)	1,600,000
Affirmative Action Coordinator	252,000
Environmental Review	650,000
Permits	908,000
Real Estate Department	20,000
Sheriff's Department	818,000
City Attorney, Controller, Bond Counsel	
Bond Administration	<u>800,000</u>
Total Non-Construction Costs	\$25,100,000

The total cost of the proposed bond issue would be \$158.1 million, or \$133 million for construction costs and \$25.1 million for non-construction costs.

If approved by the Board of Supervisors, the proposed General Obligation bond issue would be placed on the ballot of the November, 1992 election. Adoption of this resolution is

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required prior to passage of any legislation submitting a bond issue to the voters of San Francisco.

**Comments:**

1. The proposed new San Bruno jail would contain approximately 768 cells. The number of prisoners housed at the current facility has been 750 or more each year for the past four years, although the official capacity of the jail is 554. According to the Sheriff's Department, the proposed facility is intended to provide cells only for the current number of prisoners. The Sheriff's Department advises that the new facility is not intended to expand the capacity of the jail system. The current facility does not meet current safety and other codes and should not be occupied, according to the Sheriff's Department.

The Sheriff's Department currently rents beds in Alameda County to ameliorate jail overcrowding. \$4,606,300 is included in the Mayor's recommended budget for 1992-93 for rented jail beds in Alameda County. The proposed new jail facility would not substantially increase the capacity of the San Bruno Jail, and would not therefore alter the City's contract for additional jail beds with Alameda County.

2. The proposed Sheriff's bond issue (File 170-92-5) includes \$11 million for a design contingency, or 10 percent of construction costs not including the construction contingency. In contrast, the proposed Fire Department bond issue (see Item 8, File 170-92-8 of this report to the Finance Committee) does not include a separate design contingency. According to Mr. Tony Irons of the DPW, the Sheriff's Department project requires a higher design contingency because the Environmental Impact Review recommendations are likely to require design changes in the San Bruno facility. In addition, design changes may be required in response to court proceedings and new regulations, Mr. Irons advises. However, whether or not these factors should result in the inclusion of \$11 million in additional contingency costs for the Sheriff's Department cannot be determined at this time. If the voters approve the proposed Sheriff's Department bond issue, when the Sheriff's Department requests that the Board of Supervisors approve the bond fund appropriation, the Sheriff's Department should provide the Board of Supervisors with a detailed justification of the design contingency costs included in the proposed bond issue.

3. Mr. Mike LaVigne of the Sheriff's Department advises that costs for operating the kitchen and laundry at San Bruno Jail facility would likely be reduced due to the centralization of those facilities, and capital maintenance costs would also be

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reduced. Also, the Sheriff's Department currently leases a boiler for \$72,000 per year, and depending on the type of boiler system constructed at the new facility, this cost might be reduced. The amount of all of these reduced costs cannot be determined at this time.

According to Mr. LaVigne, additional staff would most likely be required to operate the larger facility. Mr. LaVigne estimates that an additional 32 City employees, including three Sheriffs Sergeants (at an annual standardized Step I salary of \$45,558), two Senior Deputy Sheriffs (at an annual standardized Step I salary of \$50,252), and 27 Deputies (at an annual standardized Step I salary of \$37,440) would be hired, at a total estimated standardized cost of \$1,248,058 per year, not including fringe benefits. Since the amount of savings cannot be estimated at this time, neither can the net on-going cost to the City of the proposed new San Bruno Jail be estimated at this time.

4. The Controller's Office anticipates that the first 25.3 percent of the proposed Sheriff's Department bonds would be sold in 1992-93, and that the resulting impact on the tax rate for 1993-94 would be \$.007 per \$100 of assessed value. At this rate, the owner of a house assessed at \$250,000 would pay \$17 in additional property taxes in 1993-94. The Controller's Office anticipates that the entire bond issue would be sold by 1994-95, and that the impact on the tax rate in 1995-96 would be approximately \$.026 per \$100 of assessed value. At this rate, the owner of a house assessed at \$250,000 would pay \$63 in additional property taxes in 1995-96. The bonds would be repaid over a 20-year period.

5. The City's General Obligation bond capacity is equal to three percent of the City's total assessed property value. The City's current outstanding General Obligation bond capacity, less previously approved bond issues, will be \$1.08 billion on June 30, 1992, according to the CAO. The CAO estimates that the City's debt capacity will increase by \$78.6 million in 1992-93 with the expected increase in the value of assessed property, and increase by \$20.4 million because some debts would be retired for a total increase of \$99 million.

On June 2, 1992, San Francisco voters approved a \$76.3 million bond issue for Golden Gate Park Improvement Bonds (Proposition A). This approved bond issue will reduce the City's bond capacity for 1992-93 by \$26 million, since \$26 million of the approved \$76.3 million is expected to be sold in 1992-93.

The Board of Supervisors is considering resolutions to determine the convenience and necessity of issuing the following bonds:

- (1) \$350 million to provide loans or grants for the seismic strengthening of Unreinforced Masonry Buildings for affordable housing and market-rate residential and commercial purposes (Item 4, File 170-92-4).
- (2) \$158.1 million to replace the San Bruno Jail (Item 5, File 170-92-5 -- the subject of this report);
- (3) \$548.4 million for improvements to Laguna Honda Hospital (Item 6, File 170-92-6);
- (4) \$78.9 million for reconstructing the Juvenile Hall (Item 7, File 170-92-7);
- (5) \$97 million for facilities improvement for the Fire Department (Item 8, File 170-92-8).

All of these proposed bond issues total \$1,232,400,000. As noted above, the CAO has estimated that the City's debt capacity for General Obligation bonds will be \$1.08 billion on June 30, 1992, or \$152 million less than the total of the proposed bonds. In addition, the CAO expects a total of \$245.6 million in previously approved bonds to be issued beginning in 1992-93.

However, according to the CAO, it is not the amount of the bonds that are approved, but the amount of bonds that are actually issued and outstanding in any given year that is relevant to the City's debt limitation. The City's debt capacity is expected to increase in subsequent years due to the projected increase in the value of assessed property and the retirement of portions of the City's debt. In addition, not all of the bonds which have been submitted for approval would be sold in 1992-93. Rather, the sale of any of the proposed bonds which are approved would occur in smaller amounts between 1992-93 and 2002-03. The sale of \$245.6 million in previously approved bonds would occur in smaller amounts between 1992-93 and 1995-96. The CAO is authorized to determine the amount of any approved General Obligation bonds which may be sold in any given year.

Therefore, if all of the bonds are approved by the electorate in November, the City's debt capacity would be further reduced in 1992-93 by the amount of each bond that would be sold in that year (Laguna Honda, \$0; San Bruno Jail, \$40 million; Youth Guidance Center \$2.3 million; UMB Loan Program, \$35 million, and the Fire Department, at \$3.3 million). The CAO estimates that if all five of the currently proposed bonds are approved and bonds are sold in these amounts in 1992-93, the City's total outstanding debt capacity on June 30, 1993

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would be approximately \$1 billion, or 1.82 percent of assessed property values at that time.

If all five of the proposed bond issues are approved, the remaining bonds for these projects would be sold after 1992-93. The City's debt would be proportionally highest in 1995-96, when an additional \$198 million in new bonds for all City projects would be sold. The CAO estimates that the City's issued General Obligation debt on June 30, 1996 would be approximately 1.89 percent of the City's net assessed value, leaving approximately \$700.8 million, or 1.11 percent of assessed property values at that time, in outstanding debt capacity.

6. The City and County of San Francisco does not have a separate procedure for the issuance of General Obligation bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed \$97 million bond issue to the voters.

7. The Capital Improvements Advisory Committee (CIAC) advises that CIAC believes that all of the proposed bond measures have merit, and that all have equal priority. CIAC voted unanimously to submit all of the proposed bond issues to the Finance Committee for approval.

8. As noted above, the total of the five proposed bond issues is \$1,232,400,000. In June, 1992 four bond issues were considered by San Francisco voters, as follows:

Proposition A: Golden Gate Park Improvements	\$76,300,000
Proposition B: Civic Center Improvements	26,700,000
Proposition C: Civic Center Parking	
Garage Improvements	24,000,000
Proposition D: Civic Center Heating System	<u>21,220,000</u>
TOTAL	\$148,220,000

Of the four bond proposals, only the Golden Gate Park Improvements bond was approved.

The \$148,220,000 total bond proposals considered by the voters in June, 1992 represent 12 percent of the total bond proposals of \$1,232,400,000 currently being considered by the Finance Committee. The \$76,300,000 approved by the voters in June,

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1992 for Golden Gate Park Improvements represents six percent of the current bond proposals being considered by the Finance Committee.

**Recommendations:** (1) If the voters approve the proposed Sheriff's Department bond issue, when the Sheriff's Department requests that the Board of Supervisors approve the bond fund appropriation, the Sheriff's Department should provide the Board of Supervisors with a detailed justification of the design contingency costs included in the proposed bond issue.

(2) Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 6 - File 170-92-6

Note: This item was continued from the May 27, 1992 Finance Committee meeting.

**Department:** Department of Public Health  
Laguna Honda Hospital

**Item:** Resolution determining and declaring that the public interest and necessity demand the acquisition, construction, or reconstruction by the City and County of San Francisco the following municipal improvement, to wit: construction and reconstruction of long term care facilities, including replacement of Laguna Honda Hospital facilities, improvements to existing Laguna Honda Hospital structures, and related acquisition, construction, or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$548,400,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness.

**Amount:** \$548.4 million

**Description:** The proposed bond issue in the amount of \$548.4 million would provide funds to construct a new hospital facility at Laguna Honda Hospital, to renovate portions of the existing hospital building for use for administrative and support services, and to provide a new skilled nursing facility separate from the proposed new main hospital building. Construction costs include demolition of existing facilities as well as construction and reconstruction of the proposed facilities.

Laguna Honda Hospital provides acute medical and long-term skilled nursing care to the City's elderly and disabled. Although it is licensed to operate 1,457 beds, the Hospital operates only 1,147 beds due to limitations imposed by the physical condition of the buildings. Of the 1,147 beds operated, 1,008 are devoted to long-term skilled nursing care, 104 for skilled nursing for AIDS and Alzheimer's patients, 20 are for acute general medicine, and 15 are for acute rehabilitation.

The proposed bond program would include a new hospital facility which would replace the existing patient care facilities and five separate utility buildings. The new hospital facility would provide 1,207 patient beds, an increase of 60

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over the 1,147 now being operated. The administrative wings of the existing hospital building would be renovated to house the new hospital's administrative and support services.

A new residential care facility, separate from the main hospital building, would be constructed on the present site of Clarendon Hall, to provide 50 independent living units, with a total of 100 beds. Clarendon Hall, which would be demolished under the proposed bond program, currently houses 170 skilled nursing beds, the Senior Nutrition Program, and the Adult Day Health Center.

According to the Department of Public Health (DPH), the existing Laguna Honda Hospital facilities are characterized by obsolete design, physical deterioration resulting from excessive age, and violations of existing disability access, health, building, and structural codes. The facilities are between 65 and 80 years old. The last major renovation of the hospital occurred in 1960, and of Clarendon Hall in 1978. The hospital was originally used as a shelter for San Francisco's indigent homeless, and cannot accommodate modern medical technologies, according to DPH.

Under the proposed bond program, a new hospital would be constructed in two phases. In the first phase, the first part of the proposed new hospital building and a new power plant, laundry facility, and underground utility tunnel would be constructed. Patients would then be rehoused, and Clarendon Hall and the existing utility buildings would be demolished.

In Phase Two, the remainder of the proposed new hospital would be constructed and the administrative wings of the existing hospital would be renovated and integrated into the new facility. A new residential care facility would be constructed on the present site of Clarendon Hall. The remainder of the patients would be relocated, and the existing hospital would be demolished.

The specific deficiencies of existing facilities cited in the bond proposal and related construction costs of new facilities under the proposed bond program are:

• New Hospital and Residential Housing	\$451,900,000
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According to DPH, Laguna Honda Hospital's patient care wards do not meet current State and Federal standards, and their obsolete design and "functionally inflexible building configuration" result in the inefficient use of resources. The

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patient care wards are located in a number of wings which protrude from a central core, and are arranged in 30-bed open wards which violate current health care standards for infection control, patient management, and privacy. Current building codes, as well as government standards for MediCal and Medicare reimbursements, require that no more than four patients occupy a room. DPH states that the hospital currently operates under State waivers for health care facility licensure, and is at risk of losing eligibility for MediCal and Medicare reimbursements.

The new hospital facility would provide new nursing units and diagnostic and clinic areas, according to modern standards, in an operationally efficient layout. Each of the proposed hospital's 32 nursing units would consist of 30 beds, configured as seven patient rooms of 4 beds each, and two single-patient rooms. DPH states in the bond proposal that because of financial constraints, 4-bed rooms were chosen over a more costly 2-bed per room configuration, which would have entailed additional project costs of approximately \$34 million. However, DPH states that a contingency allowance could allow the 4-bed configuration to be re-evaluated.

**• Renovation of Administration Buildings                      \$60,900,000**

The administrative wings of the existing hospital would be renovated under the proposed bond program. DPH states that the hospital building does not conform to current structural and building codes for seismic resistance, fire safety, and disabled access. DPH states that renovating the main administrative wing of the existing building will preserve the architectural character and traditional image of Laguna Honda Hospital.

**• Demolition of Existing Facilities                              \$25,200,000**

Buildings to be demolished are Clarendon Hall, the patient care wings of the existing hospital, and five support buildings housing the Laundry, Boiler Plant, Bridge Structure, Craft Shop Building, and Garage. DPH states that none of the support buildings meet current building codes.

**• Site Utilities, Parking, and Site Development              \$10,400,000**

Improvements to the Laguna Honda Hospital site envisioned in the bond proposal include new roads and pedestrian walkways to improve circulation and pedestrian safety, and to reduce congestion. Although DPH reports that the number of parking spaces is sufficient and meets City codes, the

distribution of spaces is "not ideal." New parking areas would be constructed on the site of existing patient care wings, close to the administration buildings, and in front of the proposed new Hospital. An Automated Transport would be constructed to carry pedestrians from Laguna Honda Boulevard to the proposed new hospital building.

**Total Estimated Cost**

**\$548,400,000**

The estimated costs presented above include construction, contingency, and project design and control costs. The actual amounts of each of these components are not provided in the bond program proposal. However, contingency costs as a percentage of construction costs are the design contingency (17 percent), construction contingency (10 percent) and the mandatory art allowance (2 percent). Project Design and Control costs were added to these amounts to obtain the total project cost of \$548.4 million.

In contrast, the proposed General Obligation Bond for the Sheriff's Department (see Item 5, File 170-92-5 of this report to the Finance Committee) includes a design contingency which is only 10 percent of construction costs.

**Comments:**

1. If approved by the Board of Supervisors, the proposed General Obligation bond issue would be placed on the ballot of the November, 1992 election. Adoption of this resolution is required prior to passage of any ordinance submitting a bond issue to the voters of San Francisco.

2. Construction and renovation of Laguna Honda Hospital would begin in July, 1997, with completion scheduled for July, 2003. The estimated \$548.4 million cost was based on a project timeline of 10 years from FY 1992-93.

3. DPH reports that the proposed new facility would not impose "substantially increased" staffing and operating costs on the City. Rather, DPH states that operating subsidies from the City are expected to decrease from the 14.4 percent of operating expenses paid to Laguna Honda Hospital in FY 1990-91 to 7 percent of the Hospital's operating expenses in FY 2003-04. DPH has reached this conclusion by assuming that the MediCal reimbursement rate and the Hospital's daily room charges will increase at a rate higher than inflation (7 percent annual rate of increase of reimbursements compared to a 5 percent inflation rate) over the next 12 years. Such revenue growth would lead to higher revenues, after inflation, to the Hospital. DPH estimates that

approximately 88 percent of the patient days at the proposed new Hospital would be subject to reimbursement by MediCal at the increased rate.

However, DPH has not provided similar projections for the change in operating subsidies, based on increased MediCal reimbursement rates and daily room charges, which would be realized by the existing hospital, if it were operated through 2003.

In addition, DPH states that the proposed new hospital would require expenditures for moveable equipment which cannot be funded by proceeds from the proposed General Obligation bond, but would require appropriations from the City. These expenses are estimated at \$17.4 million in 2003 dollars. (The \$17.4 million figure assumes an annual inflation rate through 2003 of 5 percent.) These expenditures were not included in DPH estimates of the operating subsidies which the proposed new Hospital would require, as presented above.

4. The Chief Administrative Officer (CAO) estimates that the first 5.7 percent of the proposed bonds would be sold in 1993-94, and another 4.5 percent would be sold in 1995-96. The resulting impact on the tax rate for 1993-94 has not been provided. The impact on the tax rate for 1995-96 would be \$.005 per \$100 of assessed value. At this rate, the owner of a house assessed at \$250,000 would pay \$12 in additional property taxes in 1995-96. The CAO anticipates that 90.2 percent of the bond issue would be sold by 2000-01, and that the impact on the tax rate in 2001-02 would be \$.057 per \$100 of assessed value. At this rate, the owner of a house assessed at \$250,000 would pay \$139 in additional property taxes in 2001-02. The CAO has not provided estimates based on the sale of 100 percent of the bonds, estimated to occur in 2002-03. The bonds would be repaid over a 20-year period.

5. The City's General Obligation bond capacity is equal to three percent of the City's total assessed property value. The City's current outstanding General Obligation bond capacity, less previously approved bond issues, will be \$1.08 billion on June 30, 1992, according to the CAO. The CAO estimates that the City's debt capacity will increase by \$78.6 million in 1992-93 with the expected increase in the value of assessed property, and increase by \$20.4 million because some debts would be retired, for a net increase, prior to new bond sales, of \$99 million.

On June 2, 1992, San Francisco voters approved a \$76.3 million bond issue for Golden Gate Park Improvement Bonds

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(Proposition A). This approved bond issue will reduce the City's bond capacity for 1992-93 by \$26 million, since \$26 million of the approved \$76.3 million is expected to be sold in 1992-93.

The Board of Supervisors is considering resolutions to determine the convenience and necessity of issuing the following bonds:

- (1) \$350 million to provide loans or grants for the seismic strengthening of Unreinforced Masonry Buildings for affordable housing and market-rate residential and commercial purposes (Item 4, File 170-92-4).
- (2) \$158.1 million to replace the San Bruno Jail (Item 5, File 170-92-5);
- (3) \$548.4 million for improvements to Laguna Honda Hospital (Item 6, File 170-92-6 -- the subject of this report);
- (4) \$78.9 million for reconstructing the Juvenile Hall (Item 7, File 170-92-7);
- (5) \$97 million for facilities improvement for the Fire Department (Item 8, File 170-92-8).

All of these proposed bond issues total \$1,232,400,000. As noted above, the CAO has estimated that the City's debt capacity for General Obligation bonds will be \$1.08 billion on June 30, 1992, or \$152.4 million less than the total of the proposed bonds. In addition, the CAO expects a total of \$245.6 million in previously approved bonds to be issued beginning in 1992-93.

However, according to the CAO, it is not the amount of bonds that are approved, but the amount of bonds that are actually issued and outstanding in any given year that is relevant to the City's debt limitation. The City's debt capacity is expected to increase in subsequent years due to the projected increase in the value of assessed property and the retirement of portions of the City's debt. In addition, not all of the bonds which have been submitted for approval would be sold in 1992-93. Rather, the sale of any of the proposed bonds which are approved would occur in smaller amounts between 1992-93 and 2002-03. The sale of \$245.6 million in previously approved bonds would occur in smaller amounts between 1992-93 and 1995-96. The CAO is authorized to determine the amount of any approved General Obligation bonds which may be sold in any given year based on the City's debt capacity and subject to approval of the Board of Supervisors.



Therefore, if all of the bonds are approved by the electorate in November, the City's debt capacity would be further reduced in 1992-93 by the amount of each bond that would be sold in that year (Laguna Honda, \$0; San Bruno Jail, \$40 million; Youth Guidance Center \$2.3 million; UMB Loan Program, \$35 million, and the Fire Department, at \$3.3 million). The CAO estimates that if all five of the currently proposed bonds are approved and bonds are sold in these amounts in 1992-93, the City's total outstanding debt capacity on June 30, 1993 would be approximately \$1 billion, or 1.82 percent of assessed property values at that time.

If all five of the proposed bond issues are approved, the remaining bonds for these projects would be sold after 1992-93. The City's debt would be proportionally highest in 1995-96, when an additional \$198 million in new bonds for all City projects would be sold. The CAO estimates that the City's issued General Obligation debt on June 30, 1996 would be approximately 1.89 percent of the City's net assessed value, leaving approximately \$700.8 million, or 1.11 percent of assessed property values at that time, in outstanding debt capacity.

6. The City and County of San Francisco does not have a separate procedure for the issuance of General Obligation bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed \$548.4 million bond issue to the voters.

7. The Capital Improvements Advisory Committee (CIAC) advises that CIAC believes that all of the proposed bond measures have merit, and that all have equal priority. CIAC voted unanimously to submit all of the proposed bond issues to the Finance Committee for approval.

8. As noted above, the total of the five proposed bond issues is \$1,232,400,000. In June, 1992 four bond issues were considered by San Francisco voters, as follows:

Proposition A: Golden Gate Park Improvements	\$76,300,000
Proposition B: Civic Center Improvements	26,700,000
Proposition C: Civic Center Parking	
Garage Improvements	24,000,000
Proposition D: Civic Center Heating System	<u>21,220,000</u>

TOTAL	\$148,220,000
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Of the four bond proposals, only the Golden Gate Park Improvements bond was approved.

The \$148,220,000 total bond proposals considered by the voters in June, 1992 represent 12 percent of the total bond proposals of \$1,232,400,000 currently being considered by the Finance Committee. The \$76,300,000 approved by the voters in June, 1992 for Golden Gate Park Improvements represents six percent of the current bond proposals being considered by the Finance Committee.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 7 - File 170-92-7

Note: This item was continued from the May 27, 1992 Finance Committee meeting.

**Department:** Juvenile Probation Department

**Item:** Resolution determining and declaring the public interest and necessity demand the acquisition, construction, or reconstruction by the City and County of San Francisco the following municipal improvement, to wit: construction and reconstruction of a Juvenile Justice Complex, including health and safety improvements, asbestos management, disabled access and structural and security improvements to the existing Youth Guidance Center and Juvenile Hall, a new Juvenile Justice Complex and community-based facilities, that the estimated cost of \$78,900,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness.

**Amount:** \$78.9 million

**Description:** The proposed bond issue in the amount of \$78.9 million would provide funds for construction of a new Juvenile Justice Complex, which is comprised of the Youth Guidance Center and Juvenile Hall. Construction at the Youth Guidance Center would include facilities for Courts and Legal Services, Probation Services, Medical Services, and Probation Administration. Construction at Juvenile Hall would include new residential, educational, and central support facilities, new outdoor recreation facilities, and renovation of an existing gymnasium. Funding for Juvenile Hall would also include financing for several community-based residential units as an alternative to detention.

According to the Juvenile Probation Department (JPD), the existing Juvenile Justice Complex is characterized by 1) poor distribution and configuration of space, which impedes efficient service delivery and results in security and safety problems; 2) the lack of centralized food, medical, and educational services; and 3) inadequate facilities to serve as alternatives to detention, in keeping with the "least restrictive care" policy adopted by the City in 1988 as part of its Juvenile Justice Plan. JPD concludes that the bond program would be a cost-effective long term strategy to correct existing deficiencies and to implement the City's Juvenile Justice Plan.

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Construction of new facilities would also preclude expenditures for rehabilitation, including correction of deficiencies cited in a Department of Works Facility Condition Assessment, asbestos abatement, disabled access, and seismic upgrading and other improvements.

JPD reports that rehabilitation of the existing facilities could be performed for approximately \$11.1 million, which would maintain the facilities for approximately three to five years (see Comment No. 4). However, JPD reports that such rehabilitation would not address space utilization deficiencies nor permit the City to implement its policy goals as stated in the 1988 Juvenile Justice Plan, and would entail significantly higher maintenance costs in future years.

JPD reports that the City is being sued for facility inadequacies, and that the City could be required to finance improvements pursuant to a Court order if a bond program is not adopted (see Comment No. 5).

The specific deficiencies of existing facilities cited in the bond proposal and related construction costs of new facilities under the proposed bond program are:

<b>• Youth Guidance Center</b>	<b>\$34,700,000</b>
The Youth Guidance Center (YGC) is an integrated facility staffed by eleven City agencies, and contains offices of the Juvenile Probation Department, Superior Court, Juvenile Justice Commission, Public Defender, City Attorney, San Francisco Unified School District, and Department of Public Health. Five courtrooms at YGC are located on three separate floors.	

The JPD reports that an inefficient space configuration and deteriorating facilities at YGC result in overcrowded and uncomfortable conditions, and impede the effective delivery of services. Meeting space for attorneys, social workers and clients is severely limited, with no private facilities available for confidential discussions. Offices are overcrowded and noisy, and employees housed at YGC have undertaken "emergency relocations" of service functions because of leaks in the heating system and other environmental problems. There are no public waiting areas near the Courtrooms, and the lack of secure corridors to and from Court facilities requires that youths be handcuffed and escorted through public areas. The JPD also reports that the poor space configuration is confusing and frustrating to the public.

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The \$34,700,000 estimated cost for construction of a new Youth Guidance Center would consist of the following components:

Courts and Legal Services	\$14,400,000
Probation Administration	8,200,000
Probation Services	6,100,000
Medical Services	<u>6,000,000</u>
Total	\$34,700,000

•**Juvenile Hall** **\$44,200,000**

The present facility consists of residential facilities for detained youth, recreation and education facilities, and Central Support services which include a receiving unit, medical and mental health screening units, and food and laundry services.

JPD does not expect the number of detained youth to increase in the foreseeable future. The average daily population of youth detained at Juvenile Hall was 123 in 1989, but less than 100 in 1991, according to the JPD.

The present facility has a capacity of 137 beds in low, medium, and maximum security areas. The proposed project calls for construction of a 90 room facility with a 135-bed peak capacity, a decrease of two beds. JPD also proposes to finance community-based facilities which would provide 18 additional beds, for a peak capacity of 153 beds.

According to the bond proposal, a 1990 report by the National Council on Crime and Delinquency (NCCD) recommended that a 72-room facility be constructed, with peak capacity of 108 beds. JPD revised this analysis to propose a 90-room facility with a peak capacity of 135 beds. JPD has therefore proposed to construct 25 percent more rooms (90 rather than 72) and 25 percent more beds (135 rather than 108) than the NCCD recommendation, excluding the proposed community-based facilities. JPD states that Juvenile Court statistics should be monitored as part of the planning process to determine the optimal size for the new Juvenile Hall.

The Juvenile Probation Department reports that poor design has created operational and security problems at Juvenile Hall. The present configuration requires excessive movement of youth offenders, and creates "blind spots" which impede effective supervision and heighten safety risks to staff. Medical and educational facilities are too small and poorly located, according to JPD.

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Funding for Juvenile Hall construction would include \$2 million for community-based facilities as an alternative to detention, including day treatment centers and specialized foster homes. JPD reports that the present limited availability of such facilities prevents the placement of youth in less restrictive environments, as called for in the City's Juvenile Justice Plan. The means by which the community-based facilities would be provided is not specified in the bond proposal. JPD states that City-owned buildings could be renovated, sites could be leased, or new facilities could be constructed. For each of these alternatives, JPD provides estimated costs totalling \$2 million.

The \$44,200,000 estimated cost for construction for Juvenile Hall would consist of the following components:

Residences	\$17,800,000
Education	3,200,000
Central Support and Recreation	21,200,000
Community Based Facilities	<u>2,000,000</u>
Total	\$44,200,000
<b>Total Estimated Cost</b>	<b>\$78,900,000</b>

**Comments:**

1. If approved by the Board of Supervisors, the proposed General Obligation bond issue would be placed on the ballot of the November, 1992 election. Adoption of this resolution is required prior to passage of any ordinance submitting a bond issue to the voters of San Francisco.
2. Construction of the proposed new Juvenile Justice Complex would begin in late 1994, with completion scheduled for 1998. JPD reports that about 75 percent of the work would be completed by early 1997.
3. The estimated costs for the components of the project, as described above, include expenditures for Project Design and Control, temporary relocations of staff and services, and legal and financial services associated with the proposed bond program, as follows:

Project Design and Control	\$15,650,000
YGC and JH Program Relocation	1,150,000
Legal and Financial Services	<u>250,000</u>
Total	\$17,050,000

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Total non-construction costs, listed above, of \$17,050,000 represent approximately 21.6 percent of the total proposed bond issue of \$78.9 million.

4. The bond program proposal submitted by the Juvenile Probation Department reflects that rehabilitation could be undertaken at an estimated cost of \$11.1 million, which would improve and maintain the existing Juvenile Justice Complex over the next three to five years. The costs associated with this estimate are as follows:

Repair and rehabilitation*	\$7,200,000
Asbestos management program	1,500,000
Disabled access	1,200,000
Other short-term improvements**	<u>1,200,000</u>
Total	\$11,100,000

\*Pursuant to 1990 DPW Facility Condition Assessment

\*\* Seismic strengthening, fuel tank replacement, courtroom security improvements, new fencing, and ceiling repairs.

The JPD reports that 80 percent of these rehabilitation improvements would be unnecessary if the proposed bond program were approved. However, approximately 20 percent (\$2.22 million) would be necessary even if the bond program is approved, in order to operate the facility while new construction is taking place.

In addition, JPD reports that maintenance costs of the proposed new facility may be 50 to 70 percent less than present maintenance costs of the existing facility. JPD reports that \$6.2 million was spent between FY 1987-88 to 1990-91 to repair the facility. At this rate of expenditure (\$1.55 million per year), a 60 percent cost reduction would result in an annual savings of \$930,000. JPD indicates that State funds were used to pay for approximately 45 percent of the total expenditures of \$6.2 million to maintain the existing facility.

JPD has not provided quantitative information on the projected impact of the proposed new facility on current operating costs. JPD states that Workers Compensation claims among staff are very high due to stress and injuries caused by the current conditions, and that employee productivity is lower and Juvenile Court costs are higher because of inefficiencies caused by the current space configuration.

5. As previously noted, a lawsuit has been filed against the City concerning the present conditions at the Juvenile Hall. The Juvenile Probation Department requested a supplemental appropriation in March, 1992 (File 101-91-56) in order to make repairs and improvements to the facility in response to the lawsuit. The lawsuit alleged that infrastructure deficiencies involving fire and life safety systems, as well as understaffing and inadequate staff training, had violated constitutional standards.

In connection with the requested supplemental appropriation, the Budget Analyst was advised by Ms. Loretta Giorgi of the City Attorney's Office that if the City began construction on fire code violations, installed safety glass windows, replaced certain plumbing fixtures, and began significant staff training efforts, the issues raised in the lawsuit would be resolved. A supplemental appropriation of \$333,392 was previously approved by the Board of Supervisors in order to leverage state matching funds of \$1,016,554, for a total of \$1,349,946 in repairs.

6. The Chief Administrative Officer (CAO) anticipates that the first 2.9 percent of the proposed bonds would be sold in 1992-93, and that the resulting impact on the tax rate for 1993-94 would be \$.0004 per \$100 of assessed value. At this rate, the owner of a house assessed at \$250,000 would pay \$1 in additional property taxes in 1993-94. The CAO anticipates that the entire bond issue would be sold by 1998-99, and that the impact on the tax rate in 1999-00 would be \$.010 per \$100 of assessed value. At this rate, the CAO estimates that the owner of a house assessed at \$250,000 would pay \$25 in additional property taxes in 1999-00. The bonds would be repaid over a 20-year period.

7. The City's General Obligation bond capacity is equal to three percent of the City's total assessed property value. The City's current outstanding General Obligation bond capacity, less previously approved bond issues, will be \$1.08 billion on June 30, 1992, according to the CAO. The CAO estimates that the City's debt capacity will increase by \$78.6 million in 1992-93 with the expected increase in the value of assessed property, and increase by \$20.4 million because some debts would be retired, for a net increase of \$99 million.

On June 2, 1992, San Francisco voters approved a \$76.3 million bond issue for Golden Gate Park Improvement Bonds (Proposition A). This approved bond issue will reduce the City's bond capacity for 1992-93 by \$26 million, since \$26

million of the approved \$76.3 million is expected to be sold in 1992-93.

The Board of Supervisors is considering resolutions to determine the convenience and necessity of issuing the following bonds:

- (1) \$350 million to provide loans or grants for the seismic strengthening of Unreinforced Masonry Buildings for affordable housing and market-rate residential and commercial purposes (Item 4, File 170-92-4).
- (2) \$158.1 million to replace the San Bruno Jail (Item 5, File 170-92-5);
- (3) \$548.4 million for improvements to Laguna Honda Hospital (Item 6, File 170-92-6);
- (4) \$78.9 million for reconstructing the Juvenile Hall (Item 7, File 170-92-7 -- the subject of this report);
- (5) \$97 million for facilities improvement for the Fire Department (Item 8, File 170-92-8).

All of these proposed bond issues total \$1,232,400,000. As noted above, the CAO has estimated that the City's debt capacity for General Obligation bonds will be \$1.08 billion on June 30, 1992, or \$152 million less than the total of the proposed bonds. In addition, the CAO expects a total of \$245.6 million in previously approved bonds to be issued beginning in 1992-93.

However, according to the CAO, it is not the amount of bonds that are approved, but the amount of bonds that are actually issued and outstanding in any given year that is relevant to the City's debt limitation. The City's debt capacity is expected to increase in subsequent years due to the projected increase in the value of assessed property and the retirement of portions of the City's debt. In addition, not all of the bonds which have been submitted for approval would be sold in 1992-93. Rather, the sale of any of the proposed bonds which are approved would occur in smaller amounts between 1992-93 and 2002-03. The sale of \$245.6 million in previously approved bonds would occur in smaller amounts between 1992-93 and 1995-96. The CAO is authorized to determine the amount of any approved General Obligation bonds which may be sold in any given year.

Therefore, if all of the bonds are approved by the electorate in November, the City's debt capacity would be further reduced in 1992-93 by the amount of each bond that would be sold in that year (Laguna Honda, \$0; San Bruno Jail, \$40 million; Youth Guidance Center \$2.3 million; UMB Loan Program,



\$35 million, and the Fire Department, at \$3.3 million). The CAO estimates that if all five of the currently proposed bonds are approved and bonds are sold in these amounts in 1992-93, the City's total outstanding debt capacity on June 30, 1993 would be approximately \$1 billion, or 1.82 percent of assessed property values at that time.

If all five of the proposed bond issues are approved, the remaining bonds for these projects would be sold after 1992-93. The City's debt would be proportionally highest in 1995-96, when an additional \$198 million in new bonds for all City projects would be sold. The CAO estimates that the City's issued General Obligation debt on June 30, 1996 would be approximately 1.89 percent of the City's net assessed value, leaving approximately \$700.8 million, or 1.11 percent of assessed property values at that time, in outstanding debt capacity.

8. The City and County of San Francisco does not have a separate procedure for the issuance of General Obligation bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed \$78.9 million bond issue to the voters.

9. The Capital Improvement Advisory Committee (CIAC) advises that CIAC believes that all of the proposed bond measures have merit, and that all have equal priority. CIAC voted unanimously to submit all of the proposed bond issues to the Finance Committee for approval.

10. As noted above, the total of the five proposed bond issues is \$1,232,400,000. In June, 1992 four bond issues were considered by San Francisco voters, as follows:

Proposition A: Golden Gate Park Improvements	\$76,300,000
Proposition B: Civic Center Improvements	26,700,000
Proposition C: Civic Center Parking	
Garage Improvements	24,000,000
Proposition D: Civic Center Heating System	<u>21,220,000</u>
TOTAL	\$148,220,000

Of the four bond proposals, only the Golden Gate Park Improvements bond was approved.

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The \$148,220,000 total bond proposals considered by the voters in June, 1992 represent 12 percent of the total bond proposals of \$1,232,400,000 currently being considered by the Finance Committee. The \$76,300,000 approved by the voters in June, 1992 for Golden Gate Park Improvements represents six percent of the current bond proposals being considered by the Finance Committee.

- Recommendations:**
1. Request that the Juvenile Probation Department present information on possible downsizing of the proposed new Juvenile Hall from the current proposed 135-bed facility, in light of a decrease in the Juvenile Hall's average daily population in recent years and the proposal to expand community-based facilities.
  2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 8 - File 170-92-8

Note: This item was continued from the May 27, 1992 Finance Committee meeting.

**Department:** Fire Department

**Item:** Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: construction and reconstruction of Fire Department facilities, including seismic strengthening, asbestos abatement, disabled access, separate bathroom and changing areas for male and female firefighters, improvements to the auxiliary water supply system and related acquisition, construction or reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$97 million for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness.

**Amount:** \$97 million

**Description:** The proposed bond issue in the amount of \$97 million would provide funds for various construction and improvement projects for the Fire Department. The main components of the project are as follows:

**•Facility Upgrade** **\$40,000,000**

The Fire Department operates 56 facilities, including 41 active fire stations and 15 command support facilities. The proposed bond issue would support a number of improvement and maintenance projects. These projects include mandated improvements (such as disabled access), structural improvements, asbestos abatement and facility rehabilitation. The following is a breakdown of the proposed Facility Upgrade projects.

*Privacy Modifications* **\$3,174,000**

The Fire Department hired its first female fire fighters in 1988. 26 Fire Stations do not have separate changing and restroom facilities for female firefighters. The proposed bond issue includes funds for building separate facilities for male and female fire fighters.

*Disabled Access* \$2,132,000

The Americans with Disabilities Act requires that public facilities be accessible to persons with disabilities, and State law requires that restrooms in public buildings undergoing renovation must be made accessible to persons with disabilities. According to the Fire Department, 15 facilities provide inadequate access to the disabled. The Fire Department advises that modifications to the entrances and restrooms would be sufficient for compliance in most cases, but a few stations would require the installation of ramps or the remodeling of entrance stairs.

*Seismic Strengthening* \$15,068,000

The Fire Department proposes to seismically upgrade 13 facilities which have been identified as seismically unsafe with the proposed bond issue. Buildings to be upgraded include the Central Fire Alarm Station and Pier 22<sup>1</sup>/<sub>2</sub>, where the fireboats are maintained.

*Asbestos Abatement* \$1,562,000

The proposed projects would disrupt asbestos in the pipes, ducts, equipment insulation, plaster finish surfaces and floor tiles in all of the buildings to be seismically strengthened, and in eleven Fire Stations where privacy modifications are planned. In some cases, asbestos is so pervasive that abatement would require vacating the building.

*Facility Maintenance* \$17,534,000

Facility Maintenance includes various projects, such as replacing malfunctioning engine room doors, the installation of diesel fume extractors and slide pole enclosures, roof repairs, painting interior and exterior walls, waterproofing, and repairing foundations and driveways. In addition, routine plumbing upgrades, heating system repairs, and electrical modifications would be performed in several facilities.

*Disruption of Fire Department Facilities* \$530,000

Some of the proposed projects would require vacation of Fire Department facilities, especially asbestos abatement. The Fire Department has proposed to place displaced employees in another nearby firehouse.

**•Auxiliary Water Supply System** \$55,000,000

In response to the 1906 Earthquake, the City developed an Auxiliary Water Supply System, exclusively for Fire Department use, that includes an independent high pressure hydrant system, underground cisterns, storage tanks, reservoirs, two fire boats, and alternative water sources.

*System Extensions* \$41,000,000  
The proposed bond issue would enable the Fire Department to extend the Auxiliary Water Supply System to the following locations: (1) the Outer Richmond; (2) the Outer Sunset; (3) Silver Avenue and Mission Street; and (4) Third Street at Salinas Avenue.

*Storage Cistern Construction* \$9,780,000  
Underground water storage cisterns provide additional low maintenance fire protection. Prior to 1988, the Auxiliary Water System included over 150 underground cisterns. Since 1988, construction has begun on 26 new cisterns in the Bayview, Sunset, Richmond and Marina Districts. The proposed bond issue would provide funds for 16 additional cisterns in these Districts.

*Auxiliary Communication Lines* \$1,820,000  
A back-up valve control system, as well as an additional communications and data transfer system could be more readily installed during the construction of Auxiliary Water Supply System extensions. Such back-up systems would increase the effectiveness of the Fire Department in emergencies, when utilities are often damaged or overloaded.

*Ancillary System Improvements* \$2,400,000  
A portion of the Auxiliary Water Supply System pipe lines are constructed in sandy soil and ground. The proposed bond issue would strengthen or relocate such pipelines.

• **Administrative Costs** (two percent) \$1,900,000  
Administrative costs would reimburse City agencies, such as the City Attorney and the Chief Administrative Officer, for bond administration.

**GRAND TOTAL** **\$96,900,000**

If approved by the Board of Supervisors, the proposed General Obligation bond issue would be placed on the ballot of the November, 1992 election. Adoption of this resolution is required prior to passage of any legislation submitting a bond issue to the voters of San Francisco.

**Comments:**

1. The total of the projects included in the proposed bond issue is \$96.9 million, not \$97 million. Therefore, the proposed bond issue should be reduced by \$100,000, to \$96.9 million.

2. The Fire Department's original bond issue proposal included \$16 million for a Communications and Dispatch System, \$26 million for Facility Modifications, and \$55 for the

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Auxiliary Water System Expansion, for a total of \$97 million. Based on the advice of the City Attorney that a Communications and Dispatch System cannot be funded through bonds since such a system is not considered to be a capital improvement, the Fire Department has deleted the Communications and Dispatch System from its proposal. Instead, the Fire Department has added \$16 million to its Facility Modifications budget. Assistant Deputy Chief Scales advises that the Facility Modifications portion was increased because such modifications would be more costly than originally anticipated, particularly seismic upgrading.

Based on the budgets included in the originally proposed bond issue, the Board of Supervisors could reduce the proposed bond issue by \$16 million, to \$80.9 million. Assistant Deputy Chief Scales advises that if the proposed bond issue were reduced by \$16 million, the Fire Department would limit its Auxiliary Water Supply System expansion rather than reduce Facilities Modifications.

3. The proposed Sheriff's Department bond issue (see Item 5, File 170-92-5 of this report to the Finance Committee) includes 12.5 percent of the total bond issue for DPW administrative costs. In contrast, this proposed Fire Department bond issue (File 170-92-8) includes approximately 18.3 percent of the total proposed bond issue for such DPW administrative costs. Mr. Robert Jew of the DPW advises that in general, the larger the bond issue, the lower the portion of the bond issue devoted to administrative costs, since economies of scale are realized for larger bond issues. In addition, since the Fire Department bond issue would consist of a number of small projects, oversight and design would be relatively more time consuming, Mr. Tony Irons of the DPW reports. In contrast, Mr. Irons reports that the proposed San Bruno Jail facility consists of two nearly identical structures, comprising approximately 70 percent of the total project, making administrative and design costs lower as a percentage. However, whether or not these factors should result in a 5.8 percent discrepancy in the portion of the proposed bond issues to be devoted to administrative costs cannot be determined at this time. If the voters approve the proposed Fire Department bond issue, when the Fire Department requests that the Board of Supervisors approve the bond fund appropriation, the Fire Department should provide the Board of Supervisors with a detailed justification of the administrative costs included in the proposed bond issue.

4. The California Occupational Safety and Health Act (Cal-OSHA) and the California Building Code both require separate changing and bathroom facilities for male and

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female fire fighters. In addition, the Federal Court for the Northern District of California has ordered the Department to provide adequate facilities for all fire fighters under the provisions of a Consent Decree, and to ensure that the women in the Fire Department are fully integrated and have a separate place to change.

5. The Controller's Office anticipates that the first 3.4 percent of the proposed bonds would be sold in 1992-93, and that the resulting impact on the tax rate for 1992-93 would be less than \$.001 per \$100 of assessed value. At this rate, the owner of a house assessed at \$250,000 would pay \$1 in additional property taxes in 1993-94. The Controller's Office anticipates that the entire bond issue would be sold by 1995-96, and that the impact on the tax rate in 1997-98 would be \$.014 per \$100 of assessed value. At this rate, the owner of a house assessed at \$250,000 would pay \$34 in additional property taxes in 1997-98. The bonds would be repaid over a 20-year period.

6. The City's General Obligation bond capacity is equal to three percent of the City's total assessed property value. The City's current outstanding General Obligation bond capacity, less previously approved bond issues, will be \$1.08 billion on June 30, 1992, according to the CAO. The CAO estimates that the City's debt capacity will increase by \$78.6 million in 1992-93 with the expected increase in the value of assessed property, and additionally increase by \$20.4 million because some debts would be retired, for a net increase of \$99 million.

On June 2, 1992, San Francisco voters approved a \$76.3 million bond issue for Golden Gate Park Improvement Bonds (Proposition A). This approved bond issue will reduce the City's bond capacity for 1992-93 by \$26 million, since \$26 million of the approved \$76.3 million is expected to be sold in 1992-93.

The Board of Supervisors is considering resolutions to determine the convenience and necessity of issuing the following bonds:

- (1) \$350 million to provide loans or grants for the seismic strengthening of Unreinforced Masonry Buildings for affordable housing and market-rate residential and commercial purposes (Item 4, File 170-92-4).
- (2) \$158.1 million to replace the San Bruno Jail (Item 5, File 170-92-5);
- (3) \$548.4 million for improvements to Laguna Honda Hospital (Item 6, File 170-92-6);
- (4) \$78.9 million for reconstructing the Juvenile Hall (Item 7, File 170-92-7);

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- (5) \$97 million for facilities improvement for the Fire Department (Item 8, File 170-92-8 -- the subject of this report).

All of these proposed bond issues total \$1,232,400,000. As noted above, the CAO has estimated that the City's debt capacity for General Obligation bonds will be \$1.08 billion on June 30, 1992, or \$152 million less than the total of the proposed bonds. In addition, the CAO expects a total of \$245.6 million in previously approved bonds to be issued beginning in 1992-93.

However, according to the CAO, it is not the amount of bonds that are approved, but the amount of bonds that are actually issued and outstanding in any given year that is relevant to the City's debt limitation. The City's debt capacity is expected to increase in subsequent years due to the projected increase in the value of assessed property and the retirement of portions of the City's debt. In addition, not all of the bonds which have been submitted for approval would be sold in 1992-93. Rather, the sale of any of the proposed bonds which are approved would occur in smaller amounts between 1992-93 and 2002-03. The sale of \$245.6 million in previously approved bonds would occur in smaller amounts between 1992-93 and 1995-96. The CAO is authorized to determine the amount of any approved General Obligation bonds which may be sold in any given year.

Therefore, if all of the bonds are approved by the electorate in November, the City's debt capacity would be further reduced in 1992-93 by the amount of each bond that would be sold in that year (Laguna Honda, \$0; San Bruno Jail, \$40 million; Youth Guidance Center \$2.3 million; UMB Loan Program, \$35 million, and the Fire Department, at \$3.3 million). The CAO estimates that if all five of the currently proposed bonds are approved and bonds are sold in these amounts in 1992-93, the City's total outstanding debt capacity on June 30, 1993 would be approximately \$1 billion, or 1.82 percent of assessed property values at that time.

If all five of the proposed bond issues are approved, the remaining bonds for these projects would be sold after 1992-93. The City's debt would be proportionally highest in 1995-96, when an additional \$198 million in new bonds for all City projects would be sold. The CAO estimates that the City's issued General Obligation debt on June 30, 1996 would be approximately 1.89 percent of the City's net assessed value, leaving approximately \$700.8 million, or 1.11 percent of assessed property values at that time, in outstanding debt capacity.

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7. The City and County of San Francisco does not have a separate procedure for the issuance of General Obligation bonds. Rather, the City adopts the general law of the State of California. The State General Obligation Bond Law requires a resolution of public convenience and necessity be adopted by a two-thirds vote of the Board of Supervisors. If the proposed resolution is approved by a two-thirds vote of the Board of Supervisors, the City Attorney's Office will prepare an ordinance to submit the proposed \$97 million bond issue to the voters.

8. The Capital Improvements Advisory Committee (CIAC) advises that CIAC believes that all of the proposed bond measures have merit, and that all have equal priority. CIAC voted unanimously to submit all of the proposed bond issues to the Finance Committee for approval.

9. As noted above, the total of the five proposed bond issues is \$1,232,400,000. In June, 1992 four bond issues were considered by San Francisco voters, as follows:

Proposition A: Golden Gate Park Improvements	\$76,300,000
Proposition B: Civic Center Improvements	26,700,000
Proposition C: Civic Center Parking Garage Improvements	24,000,000
Proposition D: Civic Center Heating System	<u>21,220,000</u>
<b>TOTAL</b>	<b>\$148,220,000</b>

Of the four bond proposals, only the Golden Gate Park Improvements bond was approved.

The \$148,220,000 total bond proposals considered by the voters in June, 1992 represent 12 percent of the total bond proposals of \$1,232,400,000 currently being considered by the Finance Committee. The \$76,300,000 approved by the voters in June, 1992 for Golden Gate Park Improvements represents six percent of the current bond proposals being considered by the Finance Committee.

**Recommendations:** (1) Amend the proposed resolution to reduce the bond issue by \$100,000, to \$96.9 million.

(2) The proposed resolution could be reduced by an additional \$16 million, to \$80.9 million, since \$16 million for a Communications and Dispatch System was included in the original bond issue proposal but eliminated based on advice by the City Attorney.

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(3) If the voters approve the proposed Fire Department bond issue, when the Fire Department requests that the Board of Supervisors approve the bond fund appropriation, the Fire Department should provide the Board of Supervisors with a detailed justification of the administrative costs included in the proposed bond issue.

(4) Approval of the proposed bond issue, as amended, is a policy matter for the Board of Supervisors.



Item 9 - File 100-92-3

**Note:** This item was continued by the Finance Committee at its meeting of June 3, 1992.

This item is a hearing to consider the Joint Report on the anticipated revenue shortfall in the Fiscal Year 1992-93 General Fund Budget.

On March 31, 1992, the Controller, the Mayor's Finance Director and the Board of Supervisors Budget Analyst issued a Joint Report on the anticipated revenue shortfall for Fiscal Year 1992-93. A revenue shortfall of between \$139.2 and \$148.2 million for the 1992-93 Fiscal Year is projected in order to fund the level of services assumed in the original 1991-92 budget. This projected revenue shortfall results largely from a combination of (a) increased spending levels in Fiscal Year 1992-93 of \$170.8 million, including \$108.0 million in salary and fringe benefit increases and (b) reduced General Fund revenues.

This projection compares to the prior revenue shortfall projection of \$91.7 million in a joint report dated November 27, 1991.

The \$139.2 to \$148.2 million projected revenue shortfall amount must be eliminated through either (a) a reduction in expenditures (b) increased revenue sources, or (c) a combination of both.

According to Mr. Ted Lakey of the City Attorney's Office, the California State Constitution requires that the City and County of San Francisco adopt a balanced budget each year. The City's Charter, Section 6.203 states that not later than June first of each year, the Mayor shall transmit to the Board of Supervisors the consolidated budget estimates for all departments and the proposed budget for the City and County for the ensuing fiscal year, including a detailed estimate of all revenues for each department and an estimate of the amount required to meet bond interest, redemption and other fixed charges of the City and County and the applicable revenues. At the same time, the Mayor is also required to submit to the Board of Supervisors a draft of the Annual Appropriation Ordinance for the ensuing fiscal year, which is prepared by the Controller.

According to Mr. Burk Delventhal of the City Attorney's Office, the Mayor is required to submit a balanced budget to the Board of Supervisors. Mr. Delventhal acknowledges however that the Mayor's proposed budget may include anticipated revenues that have yet to be adopted by the Board of Supervisors. For example, during the fiscal year 1991-92 budget, the Mayor submitted a proposed budget that included increases in the City's parking tax from 20 to 25 percent and increases in the MUNI Fast Pass, the projected revenues from which would balance the proposed expenditures. The Board of Supervisors had not yet adopted these revenue measures as of June, 1991 when the Mayor submitted his recommended budget to the Board of Supervisors.

In preparation for an anticipated shortfall in the 1992-93 budget, Ms. Teresa Serata of the Mayor's Office reports that initially the Mayor's Office requested that each department submit a reduced 10 percent proposed budget for fiscal year 1992-93. However, given the \$139.2 to \$148.2 million shortfall projected, the Mayor's Office requested that each department and commission review and resubmit their proposed 1992-93 budgets to the Mayor's Office, to include an additional 8 percent reduction. Because many of the departments under the Chief Administrative Officer (CAO) are so small, the Mayor's Office requested an additional collective 8 percent reduction from all of the CAO's departments, rather than individually. In addition, specific reductions of \$20 million each from the Municipal Railway (MUNI) and the Health Department were requested in lieu of an additional 8 percent reduction.

According to Ms. Serata, in addition to expenditure reductions, departments were encouraged by the Mayor's Office to include additional potential revenues that could be used to offset the additional 8 percent reduction.

On June 1, 1992, the Mayor presented the fiscal year 1992-93 budget to the Board of Supervisors. The Budget Analyst is currently reviewing all of the expenditures and revenues contained in the Mayor's 1992-93 budget. As part of this budget review, the Budget Analyst will provide recommendations for reductions or changes to the fiscal year 1992-93 budget. In addition, the Budget Analyst will describe any service and program reductions, identify any fee or tax increases and the corresponding projected revenues to be generated, specifying those fees or taxes that require the Board of Supervisors approval and highlight any expenditures that may be underfunded. The Finance Committee's budget hearings are scheduled for June 16 through June 25, 1992. The Interim Appropriation Ordinance and the Interim Salary Ordinance are calendared for the June 10, 1992 Finance Committee meeting (See Items 2 and 3 of this report).

Item 10 - File 224-92-1

This item is a hearing to consider the effects of budget cuts on the small business community.

To determine the effects of budget cuts on the small business community, it is necessary to first define the nature of the small business community, and then to ascertain what budgetary changes are anticipated in the next fiscal year and how these changes might affect the small business community.

1. Definition of the small business community.

The Budget Analyst has prepared a profile of small businesses using information reported by the State Employment Development Department (EDD) in September, 1988 on the size of business firms in San Francisco County. The profile appears in an attachment to this report. More current information on the number and types of small businesses in San Francisco will be available after 1992, when the U.S. Census Bureau produces its five-year census of county businesses.

The profile derived from EDD statistics for 1988 shows, for different types of industries, each of the following types of information:

- PERCENT OF FIRMS -- each industry's percentage share of all San Francisco businesses, indicating the industry's relative size within the City;
- EMPLOYEE DISTRIBUTION -- the percentage of firms, within each industry, having 0 to 4, 5 to 9, 10 to 19, 20 to 99, 100 to 499, or more than 500 employees, indicating the proportions of firms within each industry which are "small" or "large" businesses.
- Right-hand columns in the profile provide summary information on the number of small businesses within each industry: the percentage of firms with fewer than 20 employees, and, of these, those with 0 to 9 employees or 10 to 20 employees.

At the bottom of the profile, statistics are provided for all firms in San Francisco (as reported by EDD), showing:

- The percentage of all San Francisco firms having the specified number of employees, and,
- The percentage of persons employed in San Francisco who are employed by firms of different size.

These statistics permit the following general observations to be made concerning the nature of San Francisco's small business community:

- Almost all businesses in San Francisco are "small" businesses (having fewer than 20 employees). Of all San Francisco firms included in the EDD report, 88 percent have fewer than 20 employees. Ten percent of the reported businesses have 10 to 20 employees; 14 percent have 5 to 9 employees; and 64 percent have 0 to 4 employees. Within the Service industry, which represents approximately 52 percent of San Francisco firms, 91 percent are small firms (less than 20 employees), and 74 percent are firms having 0 to 4 employees.

- Small businesses are not more concentrated in some industries than in others, although there are some minor variations. The only industries comprised of more than 20 percent large firms (more than 20 employees) are Manufacturing, Transportation and Public Utilities, Hotels, and Education Services.

- Because small businesses are defined as those firms having few employees, small businesses represent a much smaller proportion of total San Francisco employment. Although firms with fewer than 20 employees represent 88 percent of all businesses, they account for only 20 percent of San Francisco employment. In contrast, firms with 100 or more employees represent only 2 percent of all firms, but account for 55 percent of total San Francisco employment.

## 2. Proposed budgetary changes for 1992-93

The Mayor's proposed budget for FY 1992-93 apparently includes reductions in expenditures for most City Departments, which are still being analyzed by the Budget Analyst. The Budget Analyst will provide the Board of Supervisors with complete information on the nature and extent of budget reductions proposed by the Mayor prior to the scheduled 1992-93 budget hearings.

Some general information on the budgetary changes for 1992-93 are contained in the Mayor's Budget Summary for Fiscal Year 1992-93 and individual Departmental budget summaries.

According to Ms. Sue Lee of the Small Business Advisory Commission, budget reductions in certain City departments might be expected to disproportionately affect the City's small business community. Specifically, Ms. Lee mentions increased costs associated with higher MUNI fares and parking charges; higher costs to restaurants and food service establishments if fees for health inspections were increased; potentially higher costs for business licenses and fees; and potentially higher costs to contractors for building permits, or decreases in the volume of business resulting from budgetary reductions at the Department of City Planning. Ms. Lee also mentioned potential productivity losses resulting from MUNI service cuts or a decline in public health services.

It is not certain at this time whether the Mayor's proposed budget will create these types of adverse impacts. The Health Department has not reduced its staff nor increased its fees for health inspections of food service establishments. Higher parking charges and MUNI fares would increase the cost of living for all San Francisco residents, and, as noted previously, large businesses employ the preponderant number of San Francisco residents. The



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City Planning Department reports that although the number of permit applications seems to have leveled off, new requirements have extended application processing times. On June 8, 1992, the Board of Supervisors approved a schedule for new fees and surcharges for the Department of City Planning. At the same time, the Department of City Planning has requested \$10,000 in its 1992-93 budget for a special program intended to improve the Department's administrative processes. No changes have been announced in small business license fees or in services provided by the district health centers.

Of potentially greatest significance to small businesses is the proposed increase in the commercial utility users' tax. This tax would be increased from 5 to 6 percent of a business' utility costs, including natural gas and electricity charges and local telephone charges. In addition, the tax would be extended to interstate and foreign telecommunications. It may be expected that the increase in this tax would devolve most heavily on those businesses having the highest share of utilities in their productive processes. Although energy costs might be higher for producers of manufactured products, service firms relying heavily on telecommunications would also experience higher costs. The extension of the tax to foreign and interstate calls would disproportionately affect firms engaged in business outside of California. The precise effects of these tax changes cannot be determined with precision at this time.

The Budget Analyst notes that the Board of Supervisors has considered a proposal (see File 97-92-1) to abolish the Small Business Advisory Commission and to establish a Business Advisory Commission within the Mayor's Office. On June 8, 1992, the Board of Supervisors rereferred this proposal back to the City Services Committee for further consideration.

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# Distribution of San Francisco Firms by Number of Employees

TYPE OF FIRM	PCT. OF ALL FIRMS (Sept 88)	EMPLOYEE DISTRIBUTION WITHIN INDUSTRY										Pct. of firms w/in industry by size			
		0 to 4	5 to 9	10 to 19	20 to 99	100 to 499	500 and above	less than 20	0 to 9	10 to 20					
Agriculture	1%	0.62	0.14	0.13	0.11	0.00	0.00	89%	76%	13%					
Mining	0%	0.52	0.11	0.19	0.11	0.07	0.00	81%	63%	19%					
Construction	5%	0.58	0.16	0.13	0.12	0.01	0.00	87%	74%	13%					
Manufacturing	5%	0.37	0.18	0.20	0.20	0.04	0.00	75%	55%	20%					
Transp./Util	3%	0.44	0.18	0.13	0.19	0.05	0.01	75%	62%	13%					
Whole. Trade	7%	0.52	0.19	0.14	0.12	0.02	0.00	86%	71%	14%					
Retail Trade	18%	0.52	0.21	0.13	0.12	0.02	0.00	85%	73%	13%					
FIRE	10%	0.63	0.14	0.09	0.09	0.04	0.01	86%	77%	9%					
Services	52%	0.74	0.11	0.07	0.06	0.02	0.00	91%	85%	7%					
Hotels	1%	0.36	0.16	0.15	0.18	0.11	0.03	68%	52%	15%					
Personal Svcs.	2%	0.71	0.15	0.09	0.05	0.01	0.00	94%	86%	9%					
Business Svcs.	6%	0.57	0.15	0.10	0.13	0.05	0.01	81%	71%	10%					
Motion Pictures	1%	0.57	0.21	0.12	0.08	0.02	0.00	90%	79%	12%					
Health Svcs	7%	0.74	0.16	0.06	0.03	0.01	0.00	95%	90%	6%					
Legal Svcs	5%	0.69	0.13	0.08	0.07	0.02	0.00	90%	82%	8%					
Education Svcs.	1%	0.40	0.14	0.21	0.19	0.05	0.01	75%	54%	21%					
Social Svcs.	2%	0.53	0.18	0.12	0.13	0.04	0.00	83%	71%	12%					
Eng/Accr/Resch	6%	0.63	0.15	0.10	0.10	0.02	0.00	87%	78%	10%					
Private Households	16%	0.99	0.01	0.00	0.00	0.00	0.00	100%	100%	0%					
Other Services	5%	0.56	0.19	0.12	0.10	0.02	0.00	87%	75%	12%					
Nonclassifiable	1%	0.78	0.10	0.07	0.04	0.00	0.00	96%	89%	7%					
Percent of Firms		64%	14%	10%	9%	2%	0%	88%	78%	10%					
Percent of Employees		6%	6%	8%	25%	29%	26%	20%	12%	8%					
Source: Employment Development Department															

Item 11 - File 64-92-7

**Note:** This item was continued from the June 3, 1992 Finance Committee meeting.

**Department:** Real Estate Department  
Public Utilities Commission (PUC)

**Item:** Resolution authorizing extension of one month-to-month rental agreement (see Location (1) below) and one lease of real property (see Location (2) below).

**Lessor:** University of California, Hastings College of the Law

**Utilities and Janitorial Services Provided By:** The University of California pays for gas, electricity, water, scavenger services, janitorial services and supplies.

\*\*\*\*\*

**(1) Location:** 100 McAllister Street , Rooms 404, 405, 406, and 409

**Purpose of Lease:** Office space for the PUC's Office of Safety and Health and the Manager, Bureau of Claims and Contracts.

**No. of Sq. Ft. and Cost Per Month:** 1,859 square feet @ \$1.20/sq. ft./month = \$2,223 rent/month

**Annual Cost:** Not to exceed \$26,676

**Percent Change from 1991-92:** 9 percent increase (from period July 1, 1991 - December 31, 1991); 0 percent increase (from period January 1, 1992 - June 30, 1992)

**Term of Lease:** This space is to be leased on a month-to-month basis commencing July 1, 1992, until terminated by either party upon thirty (30) days advance written notice, and not to exceed 12 months.

**Source of Funds:** PUC 1992-93 Operating Budget

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**(2) Location:** 100 McAllister Street , Rooms 401, 402 and 403

**Purpose of Lease:** Office space for the PUC's Bureau of Energy Conservation

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**No. of Sq. Ft. and  
Cost Per Month:** 1,276 square feet @ \$1.45/sq. ft./month = \$1,850 rent /month

**Annual Cost:** \$22,200

**Percent Increase Over  
1991-92:** 3.57 percent

**Source of Funds:** Hetch Hetchy Funds

**Term of Lease:** July 1, 1992 through June 30, 1993

**Comments:** 1. Mr. Phil Aissen of the Real Estate Department reports that the lease of 100 McAllister Street, Rooms 404, 405, 406 and 409 was originally established on a month-to-month basis because the Bureau of Claims and Contracts was considering moving to 1155 Market Street at the time the lease was originally signed. Mr. Walter Graze of the PUC reports that the Manager of the Bureau of Claims and Contracts left her position in 1991 and this position has since been eliminated. As a result, only the PUC's Office of Safety and Health staff has occupied Rooms 404, 405, 406 and 409.

Mr. Graze further advises that the Office of Safety and Health is budgeted for a staff of nine in fiscal year 1992-93, but now has a staff of four due to the loss of two staff as a result of Proposition A (Early Retirement) and three other vacant positions. Mr. Carlos Jacobo of PUC advises that the Mayor's Budget Office has recommended that four Office of Health and Safety positions be cut for fiscal year 1992-93, which would leave only five remaining staff positions.

In addition, the Budget Analyst has examined the office space of the Office of Safety and Health and determined that it is being significantly underutilized. For a staff of five persons, the office space of 1,859 square feet represents approximately 372 square feet per person, in contrast to the 1,276 square feet of office space occupied by the Bureau of Energy Conservation, which represents approximately 160 square feet per person for a staff of eight persons. Mr. Aissen advises that the guideline which the Real Estate Department uses for gauging the amount of office space needed is that each person requires between 150 and 175 square feet of space.

Therefore, the Board of Supervisors should request that the Department of Real Estate renegotiate the month-to-month rental agreement so that only approximately 800 square feet

of office space for the Office of Safety and Health (or 160 square feet x 5 staff) is rented in fiscal year 1992-93.

2. Mr. John Deakin reports that eight Bureau of Energy Conservation staff are budgeted for fiscal year 1992-93, and eight staff currently occupy office space in Rooms 401, 402 and 403. Mr. Deakin advises that the Bureau of Energy Conservation staff is funded solely through Hetch Hetchy funds.

3. The annual rent increases for the proposed two leases are pursuant to previously negotiated lease agreements, according to Mr. Aissen.

4. The Real Estate Department reports that the proposed rent for both the month-to-month rental agreement and the lease of real property represents the fair market value at the time the original leases were negotiated. Mr. Aissen reports that the monthly rental rates are different for comparable office space in the same building because of the differences in the time periods during which the original agreements were signed.

5. Mr. Aissen advises that these two lease agreements will expire after their final extensions in fiscal year 1992-93. Mr. John Deakin of the PUC's Bureau of Energy Conservation advises that the Bureau will meet with the Real Estate Department in February, 1993 and request that the Director of Property renegotiate another lease for Rooms 401, 402 and 403 with the University of California with four one year options, effective July 1, 1993. At the time of the writing of this report, the PUC's Office of Safety and Health had not yet determined whether the Office would renegotiate another month-to-month rental agreement for Rooms 404, 405, 406 and 409 or seek office space elsewhere after the end of fiscal year 1992-93.

6. Mr. Kirk Lawson of the PUC indicated in a discussion with the Budget Analyst that he concurred with the Budget Analyst's recommendation for the June 3, 1992 Finance Committee and intended to inform the Clerk of the Board in writing of his concurrence.

7. The Finance Committee continued this item on June 3, 1992 at the request of Mr. Anthony DeLucchi, the Director of Property, in order to provide sufficient time for the Real Estate Department to re-evaluate the above-mentioned rental agreement and lease before coming back to the Finance Committee with the Real Estate Department's findings and recommendations.

8. As of the writing of this report, Mr. Phil Aissen of the Real Estate Department was still in the process of contacting Mr. Kirk Lawson of the PUC to better assess what the PUC's office space needs are at 100 McAllister Street. Mr. Aissen also reports that Mr. DeLucchi hopes to be able to discuss the matter at the Finance Committee meeting on June 10, 1992, particularly since both the rental agreement and lease expire on June 30, 1992.

**Recommendation:** Amend the proposed resolution to sever the authorization to extend the one month-to-month rental agreement from the one lease of real property. Request that the Real Estate Department renegotiate the month-to-month rental agreement to rent approximately 800 square feet of office space (Location 1). Approve the proposed resolution to authorize the extension of the lease of real property (for Location 2).



Item 12 - File 198-92-1

**Note:** This item was continued at the Finance Committee at its meeting of June 3, 1992 in order to utilize 1992-93 budget data instead of 1991-92 data.

1. The proposed resolution would authorize an increase in the fees charged for investigations in conservatorship cases from \$210 to \$384 per case as provided by State Probate Code Section 1851.5. State Probate Section 1851.5 authorizes the Superior Court of the City and County of San Francisco to order conservatee estates to reimburse the County for the cost of investigations.

2. Court investigators conduct thorough reviews of conservatorship cases to determine (a) if individuals should have their estates managed by a Court-appointed conservator, (b) who should serve as conservator, and (c) to evaluate annually whether appointed conservators are serving the interests of conservatees.

3. In response to a request by the Finance Committee, the Superior Court has conducted an analysis of the estimated cost in Fiscal Year 1992-93 of conducting conservatorship investigations, which are shown below:

Personnel	\$435,761
Administrative Costs	33,693
Professional & Contractual Services	<u>17,176</u>
Total	\$486,630

<u>Cost of All Investigations</u>	=	Investigation Cost
Investigations Completed in FY 1990-91		Per Unit

<u>\$486,630</u>	=	\$420 Cost Per Investigation
1,158		

4. Ms. Kate Harrison of the Superior Court reports that the Superior Court collects fees for approximately 60 percent of investigated conservatorship cases. Therefore, the fee increase of \$210 (or 100 percent) from \$210 to \$420 per case, based on FY 1990-91 activity levels of 695 collected cases (1,158 cases x 60 percent), would result in additional estimated annual revenues of \$145,950 (695 x \$210). These fees are paid from proceeds of the Conservatees' estates.

5. Ms. Barbara Soloman of the City Attorney's Office states that the proposed increase in conservatorship investigation fees would occur 30 days after the resolution is signed by the Mayor. Because the Mayor could not sign the resolution before June 16, 1992 (and, therefore, the investigation fees would not be increased before July 16, 1992), the estimated revenues for FY 1992-93 could be slightly reduced, depending on the actual volume of conservatorship investigations.

6. The proposed resolution authorizes an increase in conservatorship investigation fees from \$210 to \$384 based on 1991-92 data. In response to the

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Finance Committee, the Superior Court has estimated that these fees would need to be increased to \$420 based on 1992-93 data. Therefore, the proposed resolution should be amended to reflect the higher \$420 fee, if the Board of Supervisors wants to ensure that the costs of conservatorship investigations are completely recovered.

**Recommendation**

Amend the proposed resolution to authorize an increase in the recommended fee for conservatorship investigations from \$384 to \$420.

Approve the proposed amended resolution because the State Probate Code permits charging the actual cost of investigating conservatorship cases and the Superior Court has determined that the proposed fee increase would result in the full recovery of all County costs for conducting conservatorship investigations.

Item 13 - File 192-92-2

**Note:** This item was continued by the Finance Committee at its meeting of May 27, 1992.

**Department:** Department of Parking and Traffic (DPT)  
Department of Public Works (DPW)

**Item:** Resolution authorizing the Executive Director of the Department of Parking and Traffic and the Director of the Department of Public Works to apply for, accept and expend a continuation State grant for bicycle/pedestrian projects, forgoing reimbursement of indirect costs.

**Grant Amount:** \$450,000

**Grant Period:** Approximately June 1, 1992 through May 30, 1995

**Source of Funds:** State Transportation Development Act (TDA), Article 3

**Project:** Bicycle/Pedestrian projects

**Description:** The State Transportation Development Act (TDA) was passed in 1971. Article 3 of the TDA includes provisions for pedestrian and bicycle allocations. While Article 3 allows the use of funds for support of public transportation systems or community transit services, or for local street and road purposes in lieu of bicycle/pedestrian projects, the Board of Supervisors passed a resolution (File 196-90-6) on October 29, 1990 which urged the Mayor to support the full use of TDA Article 3, Bicycle/Pedestrian funds for bicycle/pedestrian improvements. If instead, the TDA funds were used for transit-related projects and appropriated to MUNI's budget, then these revenues could be used to offset MUNI's budget of which approximately 42.5 percent is General Fund revenues.

The proposed resolution would authorize the Department of Parking and Traffic to fund the following projects:

Bicycle Racks	\$100,000
Bicycle signing and marking improvements	115,000
Bicycle safety education programs and a City bike route map	10,000
Installation of handicapped curb ramps	200,000
Improvement of pedestrian walkways in Bernal Heights	<u>25,000</u>
Total Budget	\$450,000

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**Required Match:** None.

**Indirect Costs:** None. The State does not reimburse for indirect costs under TDA, Article 3.

**Comments:** 1. According to Mr. Tim Johnson, of the Department of Parking and Traffic (DPT), existing DPT staff would complete the bicycle signing, lane striping and mapping projects as follows:

Bicycle Racks	\$100,000
Bicycle signing and marking improvements	\$115,000
Bicycle safety education programs and a City bike route map	<u>10,000</u>
Total	\$225,000

In addition, Mr. Johnson reports that the remaining projects would be work-ordered to the Department of Public Works (DPW), using existing DPW staff:

Installation of handicapped curb ramps	200,000
Improvement of pedestrian walkways in Bernal Heights	<u>25,000</u>
Total	\$225,000

2. According to Ms. Karen Gelman of the DPW, based on a City-wide survey of major neighborhoods and shopping districts completed by the DPW and the DPT, approximately 970 curbs were identified as most critically in need of handicapped curb ramps. Ms. Gelman reports that although the total cost to install these 970 ramps would be approximately \$1 million, the \$200,000 in proposed TDA funds would be used to install curbs in the most critical high traffic areas. Approximately 194 handicapped ramps would be installed with the proposed TDA funds (based on \$1 million total estimated cost for 970 curbs equals approximately \$1,031 for each curb). Ms. Gelman reports that the DPW is currently attempting to acquire approximately \$800,000 in Federal grant funds for the installation of the remaining handicapped curb ramps.

3. Under the guidelines of the TDA Article 3 funds, the City has up to three years to encumber or expend these TDA Article 3 funds. In a letter dated April 27, 1992, the Metropolitan Transportation Commission (MTC), which administers the State TDA funds for San Francisco, has informed the City that a total of \$154,500 in previously allocated TDA Article 3 funds in FY 1989-90 must be

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expended or encumbered prior to June 30, 1992, or the City will lose these funds. According to Mr. Jerry Robbins of the DPT, any of these \$154,500 in funds which the City does not expend or encumber would revert back to the MTC, and the City may reapply for these funds and reallocate the funds to other projects, such as handicap curb ramp projects or MUNI operations.

4. Mr. Robbins reports that although the DPT has spent some of these previously issued TDA Article 3 funds, there have been significant delays in billing the MTC. Mr. Robbins explains that these delays in billings can be attributed to the accounting system delays at the DPT. However, Mr. Robbins reports that the DPT is anticipating hiring a Transit Planner III, funded solely through previously allocated TDA funds, to coordinate these bicycle and pedestrian projects, and to decrease any delays in billing.

5. Although the MTC reports that there is a total of \$154,500 in previously allocated TDA Article 3 funds which must be expended or encumbered prior to June 30, 1992, or the City will lose these funds, the DPT reports that a total of \$97,275 has been encumbered. In addition, the DPT reports that they anticipate encumbering funds totalling \$144,915 by the end of fiscal year 1991-92, and therefore, the DPT estimates that only \$9,585 will revert back to the MTC for reallocation to the City and County during FY 1993-94. As noted above, the City may reapply for these funds which revert back to the MTC and reallocate the funds to other projects, such as handicap curb ramp projects or MUNI operations.

6. In a memo from the Controller to the Finance Committee dated May 22, 1992, the Controller indicates that of the \$456,000 of TDA Article 3 funds awarded to the City for FY 1991-92, only \$1,700 has thus far been spent. In addition, the Controller indicates that other funds are available for bicycle and pedestrian projects such as half cent sales tax revenues and State Proposition 116 funds, which are not in competition with MUNI's budget.

7. The DPT has completed a "Disability Access Checklist" which is in the file.

8. Attached is the "Summary of Grant Request."

9. Although the Board of Supervisors has passed a resolution in 1990 (File 196-90-6) which supported the full use of TDA Article 3, bicycle/pedestrian funds for bicycle improvements, given that the proposed TDA funds could be used to offset



MUNI operations costs, approval of the proposed resolution is a policy matter for the Board of Supervisors.

10. The Controller suggests that the Finance Committee defer action on this request until the Committee receives a complete report on the total bicycle and pedestrian program from the Departments involved including all funding sources. In addition, the Controller suggests that the Finance Committee consider the proposed TDA Article 3 allocation at the same time as the Committee considers the MUNI's General Fund budget for 1992-93 since these funds are in competition with all other General Fund programs.

11. The Department of Parking and Traffic, the Department of Public Works and the Controller are meeting on Tuesday, June 9, 1992 to reconcile the previous Departmental expenditures relating to the TDA allocations, to discuss the Departments future projects, including the handicap ramp projects, and the Departments ability to spend the proposed funds.

**Recommendation:** Given that the proposed TDA funds could be used to offset MUNI operations costs, approval of the proposed resolution is a policy matter for the Board of Supervisors.

## - Summary of Grant Request

Rev. 4/10/90

Item No. \_\_\_\_\_

Grantor State TDA Funds - Article 3

Contact Person Metropolitan Transportation Commission

Address \_\_\_\_\_

Division Department of Parking & Traffic

Section \_\_\_\_\_

Contact Person Tim Johnson

Telephone 554-9823

Application Deadline \_\_\_\_\_

Notification Expected \_\_\_\_\_

Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

Amount Requested \$ 450,000

Term: From 7/1/92 To 5/30/95

Health Commission \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of \$450,000 from the period of 7/1/92 to 5/30/95 to provide Bicycle/Pedestrian Improvement services.

(Circle appropriate words)

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

The proposed funds would be used for support bicycle/pedestrian improvements, including installation of signing and marking handicapped curb ramps and improved pedestrian walkways in Bernal Heights.

III. Outcomes/Objectives:

Improve bicycle/pedestrian conditions.

IV. Effects of Reduction or Termination of These Funds:

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount		\$472,313	\$450,000	(\$22,313)		
Personnel						
Equipment						
Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other		\$472,313	\$450,000	(\$22,313)		
Indirect Costs						

VI. Data Processing

(costs included above)

VII. Personnel

	F/T CSC	P/T CSC	Contractual
	N/A		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (Circle number, attach Request for Exception Form)



Item 14 - File 123-92-1

**Note:** This item was continued by the Finance Committee at its meeting of May 27, 1992.

**Department:** Department of Public Works (DPW)  
Bureau of Engineering

**Item:** Ordinance amending Article 8, Part II, Chapter X, of the San Francisco Municipal Code (Public Works Code) by amending Sections 352, 353, 368 and 374 and by adding Sections 352.1 and 352.2 to authorize the Director of Public Works to set schedules of fees and to collect said fees to recover costs of administering and regulating permitted excavations.

**Description:** This report is based on an amendment of the whole to the originally proposed legislation.

The Department of Public Works (DPW) currently collects fees for excavation certificates in the amount of \$0.12 per square foot of pavement to be excavated.

The proposed ordinance would establish a new fee rate that would set the fees to be deducted or collected for any excavation approved pursuant to Article 8. The new fee for any excavation permit would be \$0.80 per square foot of pavement to be excavated, plus a \$50 processing fee for each permit to cover administrative costs and supervision of the permitted excavation. The Director of Public Works would also be authorized to deduct or collect amounts to compensate the Department for any and all special costs including, but not limited to, overtime, weekend or night work, or other work for which the Department may incur more than the normal anticipated cost for administration, supervision and inspection, and for any and all extraordinary costs, such as may arise from unanticipated or emergency work.

The proposed legislation would also authorize the Director of Public Works to establish procedures for collecting excavation permit fees. The Director would be authorized to require any permittee to deposit, in advance of undertaking any excavating, a sum representing the estimated fees anticipated to be incurred by the permittee during any fiscal year. Fees actually incurred by the permittee would be deducted from the deposited sum.

**Comments:** 1. DPW's current fee for excavation work is \$0.12 per square foot of pavement to be excavated, with a minimum fee of \$25, and an amount to cover the actual cost of inspection for

excavations other than utility excavations, such as work performed by a private contractor.

2. DPW's proposed excavation fees would provide for a permit processing fee of \$50 and an inspection fee of \$0.80 per square foot. The square foot rate is calculated relative to each approved permit's proposed excavation surface area (length x width).

3. Revenues obtained from excavation fees are placed in the Excavation Fund, a special fund.

4. Ms. Denise Brady of DPW has provided the Budget Analyst with a chart showing actual expenditures and revenues from excavation fees for fiscal years 1985-86 through 1990-91 and estimated expenditures and revenues for fiscal year 1991-92 (Attachment I). Attachment I also shows the surplus funds carried forward each year, the number of permits issued and square footage inspected for FYs 1990-91 and 1991-92 (estimated). In addition, Attachment I shows the square footage range for permits issued in FYs 1990-91 and 1991-92.

5. Attachment II displays projected costs for DPW's excavation inspection program during FY 1992-93. The projected costs are based on a workload of 6,000 excavation permits to be issued.

6. Ms. Brady reports that fees were last changed in 1985, when they were reduced because of the then existing large fund surplus (see Attachment I).

7. The service performed by an excavation inspector is that of ensuring that pavement is excavated and restored in accordance with City standards. The largest excavators in the City, in order of their excavation activities, are PG&E, the San Francisco Water Department, Pacific Bell, and Viacom. All other excavation permittees constitute less than one percent of all excavations.

8. The following examples illustrate the effect of the proposed fee increase.

Example 1: 3' x 3' excavation in a City street to repair a water or gas leak

Current Fee	\$25.00	
Proposed Fee	\$57.20	129 percent

Example 2: A 100' x 2' excavation to provide new water, gas, or telephone service.

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Current Fee	\$25	
Proposed Fee	\$210	
Percentage Increase		740 percent

Example 3: A 400' x 2' (City block) excavation to replace a water or gas main.

Current Fee	\$96	
Proposed Fee	\$690	
Percentage Increase		619 percent

9. Attachment III shows the inspection levels that could be accomplished at revenue levels of \$500,000 and \$750,000. The proposed fee increase is projected to generate revenues of approximately \$750,000 annually or approximately 119 percent more than the estimated \$342,055 in revenues that the Department expects to collect in FY 1991-92. Ms. Brady states that inspection services at the \$750,000 revenue level are required to adequately insure that the City's standards for the excavation and restoration of pavement are being adhered to.

10. The previously submitted legislation on this matter would have provided blanket authority to the Director of Public Works to set future rate increases without obtaining subsequent approval from the Board of Supervisors. The amendment of the whole deletes such blanket authority, and also reduces the proposed fee increase, which previously could have been as much as \$1.50 per square foot, to \$0.80 per square foot.

**Recommendation:** Approval of the proposed ordinance, which would increase excavation fees from \$0.12 per square foot, with a \$25 minimum charge, to \$0.80 per square foot plus a processing fee of \$50, is a policy decision for the Board of Supervisors.

ATTACHMENT

## EXCAVATION FUND EXPENDITURE AND REVENUES

05/21/92

FISCAL YEAR	EXPENDITURE	REVENUE	BALANCE CARRIED FORWARD	NO. OF PERMITS	TOTAL SQ. FT.
85 - 86	369,637	290,083	623,087	UNAVAILABLE	UNAVAILABLE
86 - 87	396,654	283,662	510,095	'	'
87 - 88	381,751	325,662	454,006	'	'
88 - 89	425,881	322,156	350,281	'	'
89 - 90	442,396	351,458	259,343	'	'
90 - 91	415,278	221,709	65,774	6,075	587,262
91 - 92 (EST.)	387,953	342,055	39,876	6,000	570,000

SQ. FT. RANGE	NO. OF PERMITS	
	FY 90 - 91	FY 91 - 92 (EST.)
0 - 100	5499	5420
101 - 500	482	480
501 +	94	90

MODIFIED  
PROJECTED COSTS  
OF THE INSPECTION PROGRAM  
FISCAL YEAR 1992-1993

STAFF . . . . .	\$620,000
0.5 - 6318 : SECTION MANAGER	
1 - 6231 : SENIOR STREET INSPECTOR	
4 - 6230 : STREET INSPECTOR	
1 - 5364 : PLAN CHECKER	
1 - 1811 : MIS (RECORD AND BILLING)	
TRAINING . . . . .	\$15,000
AWSS PLAN CHECKING . . . . .	\$15,000
TRAFFIC ENGINEERING (DPT) . . . . .	\$70,000
COMPUTERIZED PAVING AND UTILITY EXCAVATION COORDINATION . . . . .	\$30,000
TOTAL	<u>\$750,000</u>

JUNE 3, 1992

## INSPECTION LEVEL

PERMITS	\$500,000	\$843,000
LESS THAN 100 SQ.FT.	COMPLAINT RESPONSE	RANDOM INSPECTION 5% OF PERMITS
101 – 500 SQ.FT.	COMPLAINT RESPONSE	ONCE A DAY
GREATER THAN 501 SQ.FT.	TWICE A DAY	TWICE A DAY

Item 15 - File 100-91-1.11

**Department:** District Attorney

**Item:** Release of Reserved Funds for hiring policy of Assistant District Attorneys

**Amount:** \$52,467 (see description)

**Source of Funds:** Previously Appropriated General Fund Monies

**Description:** During the budget hearings for FY 1990-91, the Finance Committee recommended that \$40,000 included in the District Attorney's budget request be placed on reserve pending the District Attorney giving consideration to filling any new Attorney positions at the lower 8174 Attorney entry level classification instead of the Department's usual practice of filling such positions at the higher 8176 Trial Attorney classification. Based on an average of four Attorney positions becoming vacant during FY 1990-91, the same turnover rate as in 1989-90, the District Attorney would realize a savings of approximately \$10,000 per position or a total of \$40,000, by filling these positions at the lower 8174 Attorney entry level classification. Because the request of the Finance Committee was not fully implemented in setting the 1991-92 budget, the Finance Committee once again recommended placing a reserve on \$40,000 of the District Attorney's budget to encourage the District Attorney to fill all open Attorney positions at the 8174 Attorney entry level classification. According to Mr. Ernie Olmos of the Controller's Office, an additional \$12,467 was also reserved for this purpose, for a total of \$52,467. The District Attorney is requesting release of the entire \$52,467.

During FY 1991-92, Ms. Bridget Bane of the District Attorney's Office reports that a total of six open Attorney positions have been filled. Three positions were filled at the lower 8174 Attorney entry level classification and three positions were filled at the higher 8176 Trial Attorney classification. The District Attorney states that the hiring of half (three out of six positions) of these six positions at the entry level classification reflects a change in their previous hiring policy and brings them into conformity with the prior request of the Finance Committee. Therefore, considering the change in their hiring policy, the District Attorney indicates that the conditions for establishing the reserve have been met and the reserve should be released.

**Comments:** 1. The Finance Committee had requested that the District Attorney give consideration to filling all open Attorney

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positions at the lower 8174 Attorney entry level classification instead of at the higher 8176 Trial Attorney classification. The District Attorney filled one vacant Attorney position at the higher 8176 Trial Attorney classification in 1990-91. In 1991-92 the District Attorney filled three Attorney positions at the lower 8174 Attorney entry level classification and three Attorney positions at the higher 8176 Trial Attorney classification, but has still not complied fully with the Board of Supervisors intentions to fill all open positions at the 8174 Attorney entry level classification.

2. However, the Budget Analyst notes that by filling three of these positions at the lower 8174 Attorney level, the District Attorney's Office has realized a portion of the savings on reserve. By filling one Attorney position at step one of the 8174 Attorney entry level classification and two positions at step five of this position, the District Attorney has saved a total of \$24,959 because, the prior incumbents in those three Attorney positions were at step **five** of the **8176 Trial Attorney** level. Step one of the 8174 Attorney classification pays \$1,634 per biweekly pay period (\$42,811 annually), and step five of this classification pays \$1,985 per biweekly period (\$52,007 annually). Step **five** of the **8176 Trial Attorney** classification pays **\$2,354** per biweekly pay period (**\$61,675** annually). The total savings for the three positions is computed as follows:

<u>Position</u>	<u>Hire Date</u>	<u>Salary From Hire Date To End Of Year</u>		<u>Savings</u>
		<u>8176 Tr. Attny. Level</u>	<u>8174 Attny. Level</u>	
First	8/2/91	\$56,967 - 5th Step	\$48,037 - 5th Step	\$8,930
Second	9/16/91*	11,770 - 5th Step	9,925 - 5th Step	1,845
Third	10/7/91	<u>46,374</u> - 5th Step	<u>32,190</u> - 1st Step	<u>14,184</u>
Total		\$115,111	\$90,152	\$24,959

\*Position vacated as of 12/3/91. No additional attorney was hired to fill this vacancy.

3. As reflected above, the Department will achieve a savings of \$24,959 this fiscal year by filling three of the six filled positions at the lower level Attorney classification. The requested release of reserve should therefore be reduced by \$24,959 from \$52,467 to \$27,508. The release of the balance of \$27,508 should be a policy matter for the Board of Supervisors since the District Attorney has still not complied fully with the Board of Supervisors intentions to fill all positions at the entry 8174 Attorney level classification.

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**Recommendation:** Reduce the requested release of reserve from \$52,467 to \$27,508. Approval of the remaining balance of \$27,508 of reserved funds is a policy matter for the Board of Supervisors.

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Item 16 - File 101-91-72

**Department:** Mayor's Office of Economic Planning and Development (MOEPD)

**Item:** Ordinance appropriating \$123,240 for permanent salaries and mandatory fringe benefits, Mayor's Office of Economic Planning and Development, for fiscal year 1991-92.

**Amount:** \$123,240

**Source of Funds:** \$105,240 Housing Program Fees Fund Estimated Revenue  
\$16,000 Housing Development Fund Program Project Budget  
\$2,000 Performing Arts Loan Fund Program Project Budget

**Description:** The Budget Analyst's report to the Board of Supervisors reviewing the 1992 Community Development Block Grant (CDBG) budget as proposed by the Mayor in November 1991 identified \$307,000 in non-CDBG revenues that were needed to fund MOEPD administration costs. However, such revenues were not included in the legislation. The Budget Analyst's report noted that MOEPD is required to submit separate legislation to appropriate these non-CDBG revenues.

This \$307,000 in non-CDBG revenues included \$191,700 in Mortgage Bond Program fees, \$32,000 from the Housing Program Fees Fund and the Housing Development Fund, \$4,000 from the Nonprofit Performing Arts Loan Program and \$80,000 from an amended 1991-92 San Francisco Redevelopment Agency budget.

The proposed ordinance would appropriate \$123,240 for permanent salaries and fringe benefits from the following revenues sources for FY 1991-92:

Housing Program Fees Fund - This fund was established in 1991 to receive fees earned by MOEPD for administering mortgage revenue bond programs, the Rental Rehabilitation Program, and the Low Income Housing Tax Credit program. \$105,240

Housing Development Fund - This fund receives payments from conversions of condominium units under the Subdivision Code. MOEPD administers the monitoring and resales of converted units under the Code. \$16,000

Nonprofit Performing Arts Loan Fund - The City's Administrative Code provides that two-thirds of interest paid by borrowers from the fund may be applied to administrative expenses of MOEPD in connection with the Nonprofit Performing Arts Loan Program.

\$2,000

Total

\$123,240

The proposed ordinance would appropriate \$116,316 for MOEPD salaries and \$6,924 for mandatory fringe benefits for 2.4 FTEs existing positions for the first six month period January 1, 1992 through June 30, 1992.

**Comments:**

1. The Housing Development Fund and the Nonprofit Performing Arts Loan Fund both contain sufficient balances to encumber the requested funds (\$16,000 and \$2,000, respectively). The \$105,240 in requested Housing Program Fees Fund have not yet been realized by the City. However, Mr. Kent Sims, MOEPD Director, states that since payment of these fees to the City is a contractual obligation guaranteed by a letter of credit from the developer, these funds may be treated as assured revenues. The Budget Analyst notes that MOEPD received over 99 percent of the estimated Housing Program Fees for the period January through June 1991. Furthermore, the Controller has certified the availability of these funds.

2. Mr. Joe LaTorre of MOEPD states that the proposed ordinance would provide funds for the first six months of 1992. Since CDBG expenditures follow the calendar year and not the fiscal year, an additional appropriation will be required during FY 1992-93 for the period July 1 through December 31, 1992.. Mr. LaTorre adds that expenditures from these various housing funds was not included as part of MOEPD's FY 1992-93 budget and that MOEPD will have to request an additional supplemental appropriation to expend the balance of required funds for the last six months of FY 1992-93.

3. Mr. LaTorre states that the permanent salaries and fringe benefit costs have currently been paid with CDBG revenues and that this account will be reimbursed if the proposed ordinance is approved.

**Recommendations:** Approve the proposed ordinance.

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Item 17 - File 101-91-74

**Departments:** Department of Public Works (DPW)  
Chief Administrative Officer (CAO)  
City Attorney  
Controller

**Item:** Supplemental Appropriation Ordinance to appropriate 1990 Earthquake Safety Bond Phase 2 sale proceeds to various capital improvement projects and program project budgets.

**Amount :** \$65,000,000

**Source of Funds:** 1990 Earthquake Safety Bonds

**Description:** In June, 1990, San Francisco voters authorized the sale of \$332.4 million in bonds to fund capital improvements to restore earthquake damaged buildings. In January, 1991 Phase 1, consisting of the first \$23 million of these bonds, were sold and subsequently appropriated. In June, 1991 a second \$26,500,000 were sold and subsequently appropriated to continue capital improvements for these projects.

The proposed request would be the third Bond Sale Supplemental Appropriation from the 1990 June Earthquake Safety Bond Program Phase 2 for a total of \$65,000,000. A summary of the proposed \$65,000,000 appropriation is as follows:

Department of Public Works:	
Programming and Design Services	
for 13 Projects	\$ 7,640,154
Design, Construction Management and	
Construction for 14 Projects	<u>55,483,326</u>
Subtotal (see descriptions below)	\$63,123,480
Planning and Assessment Surveys on other	
City-Owned Buildings	1,640,000
CAO Bond Program Coordination	106,520
City Attorney Legal Services	<u>130,000</u>
Total Proposed Supplemental Appropriation	\$65,000,000

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June 10, 1992

Proposed Supplemental Appropriation

<u>Total Estimated Cost</u>	<u>Previously Appropriated Bond Funds</u>	<u>Department/Purpose</u>	<u>Subject Request</u>	
			<u>Amount</u>	<u>Total</u>
<u>City Hall</u> \$128,540,500	\$19,623,970	D P W This funding includes \$1.5 million for asbestos abatement costs and \$6 million for relocating City Hall offices during construction	\$7,500,000	
		Construction Contract will be bid out in September 1993.	<u>21,300,000</u>	\$28,800,000
<u>Civic Auditorium</u> 27,709,000	4,450,914	D P W Construction services	\$400,000	
		Construction Contract will be bid out in September 1993.	<u>9,600,000</u>	10,000,000
<u>Davies Symphony Hall</u> 760,000	210,700	D P W Design and construction services.	96,000	
		Construction Contract will be bid out in March 1993.	<u>244,000</u>	340,000
<u>DeYoung Museum Complex</u> 388,800	67,600	D P W Design and construction services.	38,154	
		Construction Contract will be bid out in June 1993.	<u>283,046</u>	321,200
<u>EDP Building</u> 213,800	46,860	D P W Design and construction services.	41,000	
		Construction Contract will be bid out in June 1993.	<u>125,940</u>	166,940

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<u>Total Estimated Cost</u>	<u>Previously Appropriated Bond Funds</u>	<u>Department/Purpose</u>	<u>Subject Request Amount</u>	<u>Total</u>
<u>General Hospital Complex</u> \$3,027,000	\$1,537,668	DPW Construction Contract will be bid out in March 1993.	\$1,489,332	\$1,489,332
<u>Main Library</u> 5,280,000	3,000,000	DPW Construction Contract will be bid out in September 1992.	2,280,000	2,280,000
<u>Marina Branch Library</u> 534,800	16,000	DPW Design and construction services.	155,000	
		Construction Contract will be bid out in February 1994.	<u>363,800</u>	518,800
<u>Mission Library</u> 100,000	0	DPW Construction Contract will be bid out in October 1993.	100,000	100,000
<u>Music Concourse</u> 7,450,000	1,070,000	DPW Design and construction services	588,000	
		Construction Contract will be bid out in September 1992.	<u>5,792,000</u>	6,380,000
<u>North Beach Library</u> 755,800	20,000	DPW Design and construction services.	235,000	
		Construction Contract will be bid out in October 1993.	<u>500,000</u>	735,000

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<u>Total Estimated Cost</u>	<u>Previously Appropriated Bond Funds</u>	<u>Department/Purpose</u>	<u>Subject Request Amount</u>	<u>Total</u>
<u>Opera House</u> \$42,225,900	\$506,972	DPW Design and construction services.	\$300,000	
		Construction Contract will be hid out in October 1993.	<u>700,000</u>	\$1,000,000
<u>San Bruno Men's Jail</u> 10,700,000	1,284,000	DPW Design and construction services.	2,140,000	
		Construction No bid date	<u>4,000,000</u>	6,140,000
<u>Veteran's Building</u> 40,965,000	506,972	DPW Design and construction services.	300,000	
		Construction Contract will be bid out in January 1994.	<u>700,000</u>	1,000,000
<u>West Portal Library</u> 771,300	21,000	DPW Design and construction services.	247,000	
		Construction Contract will be bid out in February 1996.	<u>503,300</u>	750,300
<u>S.F. Zoo Subsurface Infrastructure</u> 26,000,000	760,000	Construction	3,000,000	3,000,000
<u>Contingency</u>		1.6 percent of capital costs		<u>101,908</u>
	Total			<u>\$63,123,480</u>

**Comments:**

1. Because construction contracts have not yet been awarded, the following amounts should be reserved pending selection of the contractors and determination of their MBE/WBE status:

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Project

City Hall	\$21,300,000
Civic Auditorium	9,600,000
Davies Symphony Hall	244,000
DeYoung Museum Complex	283,046
EDP Building	125,940
General Hospital Complex	1,489,332
Main Library	2,280,000
Marina Branch Library	363,800
Mission Library	100,000
Music Concourse	5,792,000
North Beach Library	500,000
Opera House	700,000
Veteran's Building	700,000
West Portal Library *	750,300
S. F. Zoo Subsurface Infrastructure	<u>3,000,000</u>
Total Reserve	\$47,228,418

\*In addition, design and construction services are reserved.

2. According to Mr. Mark Dorian of DPW Bureau of Architecture, no additional work for the San Bruno Men's Jail will be undertaken pending the outcome of current discussions related to a proposed new jail that would replace the current facility. Under these circumstances, the proposed ordinance should be amended to delete the San Bruno Men's Jail and the proposed appropriation should be reduced by \$6,140,000 from \$65,000,000 to \$58,860,000.

3. Mr. Steve Nelson of the Capital Improvements Advisory Committee (CIAC) reports that the projects to be funded by the proposed supplemental appropriation are consistent with the 1990 Earthquake Safety Bond Program and with the Six Year Capital Improvement Expenditure Plan.

**Recommendations:** Amend the proposed supplemental appropriation as follows:

Page 1, Line 2 and Line 25, reduce \$6,140,000 from \$64,763,480 to \$58,623,480

Page 1, Line 14 and Page 2, Line 10, reduce \$6,140,000 from \$65,000,000 to \$58,860,000.

Page 1, Line 19, reduce \$6,140,000 from \$21,983,480 to \$15,843,480.

Reserve \$47,228,418 as identified in Comment 1 pending selection of the contractors and determination of their MBE/WBE status.





Item 18 - File 101-91-75

**Department:** Police Department

**Item:** Supplemental Appropriation Ordinance appropriating \$6,220,350 for various Police facilities improvements.

**Amount :** \$6,220,350

**Source of Funds:** Proceeds – Sale of 1987 General Obligation Bonds

**Description:** In November, 1987, San Francisco voters authorized a \$28 million General Obligation bond issue to fund renovation and improvement of various Police Department facilities. In July 1988, the first bond sale, in the amount of \$11 million occurred. Funds from the first bond supported (1) the acquisition of land for the new Bayside Station; (2) the renovation of the pistol range and the Ingleside and Richmond Stations; and (3) preliminary studies on the Taraval and Mission Stations. In January 1991, \$10.9 million was sold at a second bond sale. Funds from the second bond sale supported work at the following sites: the Bayview, Central, Mission, Taraval, Park and Richmond Stations as well as the Golden Gate Stables and the Juvenile Hall. The proposed supplemental appropriation ordinance would provide funds for continued work at the Park Station, Central Station, Mission Station, Taraval Station, and Juvenile Division, as follows:

**Central Station**

**Department of Public Works (DPW) Costs**

Architecture/Engineering		
Design Services	\$123,600	
Programming	42,400	
Project Management	50,800	
Permits/Fees	63,443	
Construction Management	<u>169,600</u>	
Total DPW Costs		\$449,843

**Contractual Services**

Construction	1,839,157	
Construction Contingency (10.5%)	<u>193,000</u>	
Total Contractual Services		<u>2,032,157</u>

TOTAL CENTRAL STATION		\$2,482,000
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**Taraval Station**

<u>DPW Costs</u>		
Permits/Fees	\$6,360	
Construction Management	<u>100,640</u>	
Total DPW Costs		\$107,000

<u>Contractual Services</u>		
Construction	1,750,000	
Construction Contingency (8.2%)	<u>143,000</u>	
Total Contractual Services		<u>1,893,000</u>

TOTAL TARAVAL STATION		\$2,000,000
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**Mission Station**

<u>DPW Costs</u>		
Architectural/Engineering		
Design Services	380,000	
Programming	70,400	
Project Management	104,800	
Permits/Fees	105,600	
Construction Management	<u>281,600</u>	
Total DPW Costs		942,400

<u>Contractual Services</u>		
Construction Contingency (100% — see Comment 5)	145,600	
Total Contractual Services		<u>145,600</u>

TOTAL MISSION STATION		\$1,088,000
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**Juvenile Bureau**

<u>DPW Costs</u>		
Permits/Fees	13,400	
Construction Management	<u>66,600</u>	
Total DPW Costs		<u>80,000</u>

TOTAL JUVENILE BUREAU		\$80,000
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**Park Station**

<u>Contractual Services</u>		
Construction	400,000	
Construction Contingency	<u>50,000</u>	
Total Construction Services		<u>450,000</u>

TOTAL PARK STATION		\$450,000
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**TOTAL PROJECT BUDGET**

(includes Central Station at \$2,482,000, Taraval Station at \$2,000,000, Mission Station at \$1,088,000, Juvenile Bureau at \$80,000, and Park Station at \$450,000) \$6,100,000

In addition to the \$6.1 million included in the proposed supplemental appropriation from the 1987 bond sales, \$120,350 is included from previously sold bond proceeds which were never appropriated, for a total supplemental appropriation request of \$6,220,350.

**Comment:**

1. As of the writing of this report, the Police Department has been unable to provide justification for the use of this \$120,350 from previously sold bond proceeds which were never appropriated. Therefore, the proposed supplemental appropriation ordinance should be amended to reserve \$120,350 pending justification from the Police Department as to the purpose of those funds.

2. The 1987 \$28 million bond issue proposal included the following:

Park Station	\$600,000
Central Station	2,800,000
Mission Station	7,800,000
Taraval Station	4,800,000
Juvenile Division	1,100,000
Potrero Station	6,500,000
Pistol Range	600,000
Richmond Station	2,600,000
Ingleside Station	700,000
Golden Gate Stables	500,000

3. Of the total \$28 million bond issue approved by the voters in 1987, \$11 million was sold in July 1988, \$10.9 million was sold in January 1991, and \$6.1 million was sold in January 1992. Therefore, the full amount authorized for sale by the voters, or \$28 million, has been sold and would be appropriated with approval by the Board of Supervisors of the proposed supplemental appropriation ordinance. All of the proposed projects are anticipated to be completed with this proposed supplemental appropriation request.

4. The DPW reports that firms for the construction phases of the above projects have not been selected. Therefore, the total \$4,520,757 budgeted for

construction (\$2,032,157 for Central Station, \$1,893,000 for Taraval Station, the \$145,600 for Mission Station, and \$450,000 for Park Station) should be placed on reserve pending selection of the construction firms, a budget for the contractors, and information regarding the MBE/WBE/LBE status of the contractors.

5. The proposed budget for the Mission Station includes no construction costs except for construction contingency, at \$145,600. The Board of Supervisors previously approved \$5 million for construction at the Mission Station from the second sale of bonds in January 1991 (File 101-90-86).

**Recommendations:**

(1) Amend the proposed supplemental appropriation ordinance to reserve \$120,350 pending justification from the Police Department as to the purpose of those funds.

(2) Amend the proposed supplemental appropriation to place \$4,520,757 on reserve pending selection of the construction firms, a budget for the contractors, and information regarding the MBE/WBE/LBE status of the contractors.

(3) Approve the proposed supplemental appropriation ordinance as amended.



Item 19 - File 101-91-76

**Departments:** Public Library  
Department of Public Works (DPW)

**Item:** Supplemental Appropriation Ordinance for various capital improvement projects, Public Library for fiscal year 1991-92.

**Amount :** \$423,480

**Source of Funds:** 1988 Library Improvement Bonds

**Description:** In November, 1988, \$109.5 million in General Obligation bonds for Library facilities improvements, which is primarily for the construction of the new Main Library, was approved by San Francisco voters. In May, 1992, the Board of Supervisors approved the issuance for the final sale of the remaining \$84.5 million in bonds for the construction of the new Main Library.

The proposed supplemental appropriation ordinance would fund the financial and legal services related to this final sale of the Library Improvement bonds. The proposed supplemental appropriation funds would also fund the design and development of base isolator prototypes, to be used in the new Main Library's seismic resistance system. Specifically, the proposed supplemental funds would be used as follows:

<u>Financial and Legal Services</u>	
Chief Administrative Officer	\$ 22,480
City Attorney's Office	105,000
Bond Counsel	15,000
Financial Advisor	50,700
Bond Rating Agency	47,000
Printing and Advertising costs	<u>18,300</u>
Total Financial and Legal Services	\$258,480
 <u>Contractual Services</u>	
Dynamic Isolation Systems (DIS)	150,000
 <u>Contingency</u>	
(10% of contractual services)	<u>15,000</u>
 Total	 \$423,480

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**Comments:**

1. The \$22,480 budgeted for the Chief Administrative Officer and the \$105,000 budgeted for the City Attorney's Office would be used for existing bond funded staff to provide overall bond coordination and legal advice for the final sale of the Library Improvement bonds.
2. According to Mr. Steve Nelson of the CAO's Office , the \$15,000 budgeted for the bond counsel would provide a lump-sum award to Orrick Harrington. Orrick Harrington is neither a City-certified MBE or WBE firm.
3. According to Mr. Jack Pizza in the City Attorney's Office, the \$50,700 budgeted for the financial advisor for the project is Public Financial Management (PFM) and Charles A. Bell Securities. Public Financial Management is neither a City-certified MBE or WBE firm. Charles A Bell Securities is a City-certified MBE firm. Mr. Pizza reports that the amounts budgeted to both PFM and Charles A. Bell Securities would be awarded on a lump sum basis.
4. Mr. Pizza reports that the \$18,300 budgeted for printing and advertising costs would be used for the printing costs associated with advertising the final bond sale, official notices and related documents.
5. As previously noted, the final sale of the Library Improvement bonds occurred in May, 1992. Therefore, the proposed ordinance should be amended to authorize the expenditure of \$258,480 for Financial and Legal Services on a retroactive basis, since these obligations have already been incurred.
6. According to Mr. Russ Abel of the Department of Public Work's (DPW) Bureau of Architecture, the proposed contractor, Dynamic Isolation Systems (DIS), was selected on a sole-source basis. Mr. Abel reports that because of the specialized technical nature of the contract, DIS is the only firm which offers the development of base isolators for the seismic resistance system. DIS, located in Berkeley, is neither a City-certified MBE or WBE firm.
7. Mr. Abel reports that the proposed contract for DIS would be awarded on a lump sum basis. Mr. Abel also reports that the proposed lump sum contract would be awarded to DIS to produce, test and certify prototypes for the base isolators approximately from July 1, 1992

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through December 31, 1992. Mr. Abel indicates that the installation of the base isotopes would be funded through future Library bond proceeds.

**Recommendations:**

1. Amend the proposed ordinance to authorize the expenditure of \$258,480 for Financial and Legal Services on a retroactive basis, since these obligations have already been incurred.
2. Approve the proposed ordinance as amended.



Item 20 - File 101-91-77

- Departments:** Public Health (DPH)  
San Francisco General Hospital (SFGH)  
Community Mental Health Services (CMHS)  
Department of Public Works, Bureau of Architecture
- Item:** Ordinance appropriating bond interest funds for the construction of a Mental Health Skilled Nursing Facility at San Francisco General Hospital
- Amount:** \$972,000
- Source of Funds:** Treasurer's interest earnings from approximately \$24.8 million in 1987 and 1991 Mental Health Facility Improvement Bond sales.
- Description:** In November 1987, San Francisco voters approved a \$26 million bond issue for the construction of a Mental Health Skilled Nursing Facility. The City sold the first series of bonds in June 1988 for \$3 million and sold the second series of bonds in June 1991 for \$23 million. The City has expended funds from the first bond sale for facility design and specification drawings and plans, an environmental impact report, project management services, financial and legal services, and a State plan review. In November 1991, the Board of Supervisors appropriated \$23 million in bond proceeds for the construction phase and associated project management services for the project. The Finance Committee reserved \$21,624,800 of the \$23 million appropriation pending the selection of a contractor, identification of the MBE/WBE/LBE status of the contractor and specific cost details.
- Mr. Jim Buker of the Bureau of Architecture reports that the proposed \$972,000 appropriation is required to be added to the project budget as available construction contingency funds.
- Comments:** 1. The Human Rights Commission staff reports that the lowest bidder for the construction project exceeds the 22.4 percent MBE and 3.7 percent WBE goals of the project. The Bureau of Architecture will be requesting the release of the reserved funds for construction in July 1992. However, as of the writing of this report, the contractor has not been selected and the contract has not been awarded.

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2. Therefore, the proposed appropriation should be reserved pending the selection of the contractor, identification of the MBE/WBE/LBE status of the contractor and specific cost details including the reasonableness of this requested construction contingency amount.

**Recommendation:** Approve the proposed ordinance and reserve the funds as suggested above.

Item 21 - File 101-91-78

**Department:** Department of Public Works (DPW)

**Item:** Supplemental Appropriation Ordinance appropriating \$22,266 for capital improvement project and certifying \$22,266 from capital improvement project, to cover overage above ten percent (10%) of contracted amount pursuant to provisions of Charter Section 7.203, Public Works for fiscal year 1991-92; providing for ratification of action previously taken.

**Amount:** \$22,266

**Source of Funds:** 1987 Street Improvement Bond Fund

**Description:** On February 27, 1991, the Board of Supervisors approved a resolution authorizing DPW to apply for, accept and expend up to \$310,000 in Federal Highway Administration Emergency Relief funds to reimburse the City for traffic mitigation improvements necessitated by the closure of the Embarcadero Freeway due to earthquake damage (File 148-91-4). DPW estimated that traffic signal installations would cost \$300,000 and that \$255,000 of this amount would come from Federal emergency relief funds while the remaining \$45,000 would come from the Mayor's Earthquake Emergency Relief Fund and sales tax revenues from the San Francisco Transportation Authority.

On January 16, 1991, DPW awarded a contract of \$207,503 (\$188,639 plus a 10 percent contingency of \$18,864) through a RFP process to Community Electric, Inc., a Disadvantaged Business Enterprise (DBE) firm, for traffic and signal installations (Project 142-40) in the northeastern quadrant of San Francisco (Drumm at Sacramento, Clay at Washington, Davis at Washington and Clay, and 6th at Brannan Streets). The remaining \$92,497 of the original budgeted amount of \$300,000 has already been committed to other traffic signal installation projects in the City.

Community Electric, Inc. is currently doing the above-mentioned traffic and signal installation work, and the Department of Public Works has determined that the final installation costs would exceed the DPW's original request of \$207,503 by \$22,266 (for a total cost not to exceed \$229,769) resulting from \$41,130 in change orders to conform with Caltrans standards and conflicts with existing Muni wires, requiring relocation of traffic signals. This change order amount of \$41,130 represents 21.8 percent of the original contract amount of \$188,639.

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The extra \$22,266 would come from the 1987 Street Improvement Bond Fund.

**Comments:**

1. Charter Section 7.203 requires that expenditures for work in excess of ten percent of the original contract amount (which in this case was \$188,639) shall be provided by a supplemental appropriation. Mr. Todd Cockburn of DPW advises that the original contract amount of \$207,503 for the traffic signal installation project is funded under the Mayor's Earthquake Emergency Relief Fund and sales tax revenues from the San Francisco Transportation Authority.

2. The specific change orders required are as follows:

<u>Change Order Number</u>	<u>Description</u>	<u>Amount</u>
1.	Remove traffic island; remove and relocate existing traffic signal and construct new curb ramps at 6th and Brannan Streets.	\$ 22,400
3.	Remove and relocate existing traffic signal at Clay and Drumm Streets.	11,270
3.	Remove underground obstruction and repair void under street.	<u>7,460</u>
Total Change Order Costs		\$41,130

The total change order amount of \$41,130 exceeded the ten percent contingency amount of \$18,864 by \$22,266. Therefore, DPW is now requesting a supplemental appropriation of \$22,266 to proceed with the traffic and signal installations.

3. Mr. Joe Ovadia of the DPW advises that Community Electric, Inc. is currently doing the above-mentioned traffic and signal installation work, including the necessary change orders, so the proposed supplemental appropriation ordinance provides for ratification of action previously taken.

**Recommendation:** Approve the proposed ordinance.

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Item 22 - File 101-91-79

**Department:** Department of Public Works (DPW)  
Bureau of Building Inspection (BBI)

**Item:** Supplemental Appropriation Ordinance to appropriate funds to the Department of Public Works Repair and Demolition Fund.

**Amount :** \$330,000

**Source of Funds:** Mayor's Emergency Fund

**Description:** The Department of Public Works, Bureau of Building Inspection (BBI) has requested a supplemental appropriation to replenish BBI's Repair and Demolition Fund. The Repair and Demolition Fund is a special revolving fund that was created for the purpose of defraying BBI's costs and expenses associated with repairing and making safe property in the City and County of San Francisco.

On February 17, 1992, the Director of the Department of Public Works ordered the owner of property at 22-30 Alta Street (Telegraph Hill) to abate a public nuisance of an unstable structure. The Director's order stated that the structure in question needed to be secured or demolished. In fulfilling this order, the BBI incurred \$330,000 in costs from the Repair and Demolition Fund. These costs included:

<u>Description</u>	<u>Amount</u>
Apersey Construction	\$267,000
Treadwell and Rollo, Geotech Engineers	7,460
Degenkolb Associates, Structural Engineers	18,900
SOHA, Structural Engineers	1,200
DPW Costs	
Bureau of Building Inspection	\$27,361
Bureau of Construction Management	<u>7,586</u>
	<u>34,947</u>
Total	\$329,507

The present balance in the Repair and Demolition Fund is \$80,000. According to BBI, the above costs, which have already been incurred, will result in a deficit of \$249,507 (\$80,000 balance less \$329,507 costs incurred).

**Comments:** 1. According to Mr. John E. Cribbs, Director of Public Works, the BBI will initiate the appropriate action to recover these costs from the property owner of 22-30 Alta Street. The

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structure on the property has already been demolished. This action will be in the form of voluntary payments or a special assessment lien against the property.

2. According to the Controller's Office, the Repair and Demolition Fund has a current balance of \$363,131.75. Under these circumstances, no additional funds are needed to be transferred to the Repair and Demolition Fund for the current costs associated with the property at 22-30 Alta Street.

**Recommendation:** Table the proposed Ordinance.



Item 23 - File 101-91-80

**Department:** District Attorney

**Item:** Supplemental Appropriation Ordinance for litigation expenses.

**Amount :** \$35,000

**Source of Funds:** General Fund - General Reserve

**Description:** The proposed Supplemental Appropriation Ordinance would appropriate \$35,000 for litigation expenses, such as hotel and transportation costs for the District Attorney to pay for prosecution witnesses.

**Analysis:** The Budget Analyst projects the following budget deficiency for litigation expenses:

Amount Appropriated in 1991-92 Budget	<u>\$193,000</u>
Actual Expenditures as of April 30, 1992	\$190,704
Projected Expenditures for May and June, 1992	<u>59,100</u>
Total Estimated Expenditures for 1991-92	<u>249,804</u>
Estimated Budget Deficiency (\$249,804-\$193,000)	\$ 56,804
Amount Requested	<u>35,000</u>
Remaining estimated budget deficiency	<u>\$21,804</u>

**Comments:**

1. The District Attorney's Office originally requested \$64,332 to cover the estimated budget deficiency. The Mayor's Office reduced the amount requested to \$35,000.
2. Historically, the months of May and June are significantly greater than the average for the prior ten months of the year. This occurs because the District Attorney's Office accumulates invoices from prior months and submits these invoices in May or June depending if funds are available.

**Recommendation:** Approve the proposed ordinance for \$35,000.

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Item 24 - File 101-91-82

**Departments:** Department of Public Works (DPW)  
Clean Water Program

**Item:** Supplemental Appropriation Ordinance for capital improvement project (Islais Creek Transport Storage), Public Works for fiscal year 1991-92.

**Amount :** \$65,000,000

**Source of Funds:** 1991 Sewer Revenue Bonds

**Description:** The proposed supplemental appropriation ordinance would fund a construction contract for the Islais Creek Pump Station. The Board of Supervisors has previously approved several resolutions which made negative declaration findings and adopted the Islais Creek facility plan. The proposed Islais Creek Transport Storage Facilities Project is part of San Francisco's Wastewater Master Plan.

The construction of the proposed facility would permit the City to reduce the current sewage overflow into the bay at Islais Creek. Specifically, the proposed supplemental funds would be used as follows:

<u>Construction</u>	\$56,300,000
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<u>Contingencies</u> (10 percent of the construction contract)	5,630,000
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<u>Non-Construction</u>	
DPW - Bureau of Engineering	574,150
DPW - Bureau of Construction Mgmt.	1,405,096
Department of Parking and Traffic	46,000
City Attorney	30,000
Bureau of Environmental Mgmt.	70,000
DPW - Streets and Street Mapping	30,000
Water Department	12,000
DPW- Bureau of Street and Sewer	
Repairs	14,754
Permitting Fees	25,000
Deleuw Cather	563,000
Business Development Incorporated	<u>300,000</u>
Total Non-Construction	\$ 3,070,000
 Total	 \$65,000,000

**Comments:** 1. According to the DPW, the construction contractor has not yet been selected. Therefore, the Budget Analyst

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recommends to reserve a total of \$61,930,000 (consisting of \$56,300,000 construction contract and \$5,630,000 for related contingencies) pending the selection of a contractor, MBE and/or WBE status of the contractor and finalized cost details.

2. According to Mr. Manfred Wong of the DPW, the \$563,000 which would be provided to Deleuw Cather would be awarded on a lump sum basis for project management services including archaeological monitoring, scheduling, materials testing and completing construction documents. Mr. Wong reports that Deleuw Cather would provide these services as part of their on-going master contract with the DPW. Mr. Wong also reports that these services would be provided during the construction phase of the project which would begin approximately in July, 1992 through June 30, 1994. Deleuw Cather is neither a City-certified MBE or WBE firm. Mr. Wong indicates that the \$1,405,096 which is budgeted for the DPW's Bureau of Construction Management would be used to provide on-site inspectors during construction, which differs from the overall project management services which would be provided by Deleuw Cather.

3. Mr. Wong reports that the \$300,000 which would be provided to Business Development Incorporated would be awarded on a lump sum basis as part of an on-going master contract with the DPW, for organizing and arranging public meetings, and for providing liaison services with the community affected by the construction of the proposed Islais Creek Pump Station. Mr. Wong also reports that these services would be provided during the construction phase of the project which would begin approximately in July, 1992 through June 30, 1994. Business Development Incorporated is a City-certified MBE firm.

- Recommendations:**
1. Reserve \$61,930,000 in supplemental funds (consisting of \$56,300,000 construction contract and \$5,630,000 for related contingencies) pending the selection of a contractor, MBE and/or WBE status of the contractor and finalized cost details.
  2. Approve the proposed ordinance as amended.

Item 25 - File 82-92-5

**Department:** Redevelopment Agency  
Police Department

**Item:** The proposed ordinance would authorize the conveyance of an easement of approximately 721 square feet to maintain in place the foundation of a supermarket building, a concrete walkway and water pipelines which encroach on City-owned property at Williams Avenue and Newhall Street (site of the new Bayview Police Station); and adopting findings pursuant to City Planning Code Section 101.1.

**Description:** The City acquired property at Williams Avenue and Newhall Street totaling 42,830 square feet, in 1989, for the construction of the new Bayview Police Station. In 1990, the Redevelopment Agency acquired the property immediately adjacent to the parcel of land designated for the new Bayview Police Station, totaling 96,462 square feet, for development of a supermarket.

At the time when the City bought the land for the new Bayview Police Station, the City was unaware that the foundation of the adjoining supermarket building and a concrete walkway and water pipelines serving the adjoining supermarket building encroached on the City's property at Williams Avenue and Newhall Street.

Pursuant to the recommendations of the Police Commission, the Chief of Police and the Director of Property, the City proposes to convey an easement to the Redevelopment Agency to maintain the above mentioned encroachments (constituting a continuous strip of land, one portion of which measures 5 feet by 31.40 feet, while another portion measures 3 feet by 188.15 feet). Under the proposed ordinance, the Redevelopment Agency shall be responsible for the repair and maintenance of the encroachments and will quitclaim to the City all of the rights granted herein upon removal of the Redevelopment Agency's building. Presently, the Redevelopment Agency leases the supermarket building to Cala Foods.

**Comments:** 1. Mr. Larry Ritter of the Real Estate Department advises that the proposed easement did not require a Final Negative Declaration because the City Planning Department has declared this easement exempt from environmental review. The Department of City Planning has reported that the proposed easement is in conformity with the Master Plan and consistent with the Eight Priority Policies of Planning Code Section 101.1.

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Furthermore, the encroachments do not interfere with the construction of the new Bayview Police Station.

2. The Real Estate Department reports that the proposed easement would be conveyed at no cost to the Redevelopment Agency.

**Recommendation:** Approve the proposed ordinance.

Items 26, 27 and 28 - Files 124-92-3, 124-92-4 and 124-92-5

**Department:** Department of Parking and Traffic

**Items:** Ordinance amending Section 213 of Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) to increase the rates for parking meters within parking meter areas numbers 2, 3 and 4 (File 124-92-3).

Ordinance amending Sections 200, 202.A, 203.2, 203.3 and 203.4 of Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) to increase the rates for parking meters within parking meter areas numbers 2, 3 and 4 (File 124-92-4).

Ordinance amending Section 210 of Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) to increase the rates for parking meters within parking meter areas numbers 2, 3 and 4 (File 124-92-5).

**Description:** 1. The proposed ordinance (File 124-92-4) would amend Sections 200, 202.A, 203.2, 203.3 and 203.4 of Part II, Chapter XI of the Traffic Code to increase the rates for parking meters within parking meter areas numbers 2, 3, and 4, which are distributed throughout the City's commercial and downtown areas (excluding the financial district). Sections 200 and 202.A would be amended to provide that parking meters will accept quarters only, instead of nickels, dimes and quarters, as is currently provided for in these Sections. The Parking and Traffic Department reports that converting the meters to quarters only will (1) reduce meter collections because meter cans will not fill up as quickly with quarters only (2) reduce maintenance on meters because having only one slot for quarters will reduce the number of meter jams and (3) reduce meter fraud because "slugs" (fake coins) which are dime size are more prevalent than quarter size "slugs". The Department adds that there is currently a general trend by local jurisdictions to convert to quarter only meters. Sections 203.2, 203.3 and 203.4 would be amended to increase the parking meter rates in parking meter areas 2, 3 and 4 as follows:

Meter Rate Area 2

The 30-minute, one-hour and two-hour meter rates would be increased from \$0.75 per hour to \$1.00 per hour.

Meter Rate Area 3

The 30-minute, one-hour and two-hour meter rates would be increased from \$0.30 per hour to \$0.50 per hour.

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Meter Rate Area 4

The 30-minute, one-hour and two-hour meter rates would be increased from \$0.75 per hour to \$1.00 per hour.

2. The proposed ordinance (File 124-92-3) would amend Section 213 of Part II, Chapter XI of the Traffic Code. Section 213 outlines the amount of parking meter revenues that are credited to the General Fund and the Off-Street Parking Fund. The proposed ordinance would amend this Section to stipulate that in fiscal year 1992-93, the first \$6.5 million in parking meter revenues will be credited to the General Fund, instead of \$6 million as is currently provided for in Section 213, or \$500,000 more annually to the General Funds (included in the 1992-93 Mayor's recommended budget).

3. The proposed ordinance (File 124-92-5) would amend Section 210 of Part II, Chapter XI of the Traffic Code to change the range of bails for parking meter citations. Currently, under Section 210, the bail for a parking meter violation outside the downtown core area is no less than \$12 and no more than \$40. The proposed ordinance would amend Section 210 to increase this bail to a minimum of \$20 and a maximum of \$50.

**Comments:**

1. Mr. Tim Johnson of the Parking and Traffic Department reports that the cost to convert the meters is estimated to be \$626,192 (\$241,323 for labor plus \$384,869 for materials). These costs will be paid for by Off-Street Parking Funds. The Department has included the entire \$626,192 in the 1992-93 Mayor's recommended budget.

2. Parking Meter revenue included in the Mayor's recommended 1992-93 budget amounts to \$12.3 million, an increase of \$2.9 million over the 1991-92 revenue of \$9.4 million. The amount included in the Mayor's recommended 1992-93 budget for the transfer to the Off-street Parking Fund is \$4.3 million, leaving a transfer to the General Fund of \$8.0 million for 1992-93.

Therefore, file 124-92-3 should be amended to state that all monies in excess of \$8.0 million (instead of the stated \$6.5 million) shall be credited to the Off-Street Parking Fund. The City Attorney will prepare the appropriate amendment for submission to the Finance Committee at the May 10 meeting.

**Recommendation:** Amend File 124-92-3 as described above and approve the proposed ordinances.

Item 29 - File 161-92-2

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving the interim budget of the San Francisco Redevelopment Agency of the City and County of San Francisco for Fiscal Year 1992-93.

**Amount:** \$25,462,000

<b>Source of Funds:</b>	Property Sales	\$3,165,000
	Rentals and Leases	493,000
	Prior Year Earnings and Savings	14,804,000
	Grants	5,000,000
	Debt Proceeds	2,000,000
	Developer Contributions	.0
	Tax Increment Proceeds	0
	Total	\$25,462,000

**Description:** The San Francisco Redevelopment Agency (SFRA) has requested an interim budget for the month of July 1992 totaling \$25,462,000 as follows:

Personnel Costs	\$615,000
Administrative Overhead	140,000

Capital Project Activities:	
Yerba Buena Center	\$8,882,000
Rincon Point-South Beach	391,000
Hunters Point	152,000
India Basin Industrial Park	50,000
Western Addition A-2	2,315,000
South Bayshore	150,000
Hunters Point Shipyard	275,000
South of Market	1,400,000
Affordable Housing (City-wide)	5,164,000
South Beach Harbor	2,428,000
Economic Development (City-wide)	2,500,000
Center for the Arts	1,000,000
Subtotal	\$24,707,000
Total Interim Budget	\$25,462,000

The SFRA has indicated that the current existing level of the FY 1991-92 personnel and administrative costs would be extended during the interim budget period, with no increase in staffing levels.

In addition, as reflected above, the SFRA requests interim budget approval for Capital Expenditures totaling \$24,707,000

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which includes planning, legal services, acquisition, rehabilitation, relocation, maintenance, disposition, affordable housing, economic development and other improvements in the SFRA's various specific projects.

**Comments:**

1. SFRA's FY 1991-92 approved budget included the issuance of \$26.9 million in tax increment bonds to finance current FY 1991-92 activities. At that time, the Board of Supervisors also authorized the execution of an Indebtedness Limitation Agreement which approves the use of \$2,167,774 tax increment revenues annually or \$65,033,220 over 30 years to service the annual debt charges required by the \$26.9 million bond issuance. 87.5 percent of the City's property tax revenue goes into the City's General Fund. As such, this \$2,167,774 annual tax increment payment amounts to approximately \$1,896,802 in General Fund revenues.

2. Tax increment funds are created as follows: when a redevelopment project area has been defined, the property tax revenue amount in that area is frozen. Any increases in property tax revenues, after such a tax revenue freeze, are considered attributable to redevelopment activities and dedicated to financing development-related costs in that area. Tax increment funds are usually used to repay tax increment backed bonds that are issued to finance redevelopment activities.

3. The Mayor's recommended SFRA budget for FY 1992-93 totals \$121,933,000 of which \$65,272,000 would be from anticipated revenues, including property sales, rentals, prior year earnings, debt proceeds, tax increment proceeds, developer contributions and approved tax increments from prior years. The difference of \$56,661,000 (\$121,933,000 total budget less \$65,272,000 anticipated revenues) would be provided from the proceeds of a new 30-year tax increment bond, if approved by the Board of Supervisors. If approved, the use of up to \$5,592,000 annually or \$167,760,000 over 30 years in tax increment revenue would be needed to service the annual debt charges of the proposed bond.

4. \$7,821,774 in tax increment proceeds from prior years and proposed tax increment proceeds for FY 1992-93 of \$5,592,000, for total tax increment revenues of \$13,413,774 would be authorized to fund SFRA project activities during FY 1992-93, as follows:

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1992-93 Proposed SFRA Tax Increment (TI) Revenue

1989-90 Tax Increment	\$3,256,000
1990-91 Tax Increment	2,263,000
1991-92 Tax Increment	2,167,774
South Beach Harbor Tax Increment	<u>135,000</u>
Total Prior Year Tax Increment Revenue	\$7,821,774
1992-93 Proposed Tax Increment	<u>5,592,000</u>

Total 1992-93 Tax Increment Revenue           \$13,413,774

5. The proposed new tax increment bonds of \$56,661,000 to support the SFRA 1992-93 proposed budget are still subject to the approval of the Board of Supervisors and will be submitted as forthcoming separate legislation.

6. The approval of this interim budget legislation only permits the Redevelopment Agency to continue operating at its previously approved operating level as well as to expend funds for its capital projects, as previously mentioned above.

**Recommendation:** Approve the proposed resolution.

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Item 30 - File 115-92-9

**Note:** It is the intention of the Chair to continue this item to the Call of the Chair after hearing public testimony.

**Departments:** City Planning  
Department of Public Works - Bureau of Building Inspection  
Rent Arbitration Board

**Item:** Ordinance amending Part II, Chapter II, of the San Francisco Municipal Code (City Planning Code) by adding Section 207.3 to establish a 24-month amnesty period within which one dwelling unit in addition to those permitted in any zoning district (which unit was constructed prior to January 1, 1992, without benefit of permit) may be legalized, by amending Section 161 to exempt legalized units from the parking requirements, and by adding Section 369 to impose a registration penalty; amending Article 37 of the San Francisco Administrative Code (Residential Rent Stabilization and Arbitration Ordinance) by amending Section 37.2 to make all legalized units subject to Rent Board jurisdiction; amending Part II, Chapter XII, of the San Francisco Municipal Code (Housing Code) by amending Section 353 to require an owner of a residential structure to obtain a physical inspection of the property prior to sale to determine the number of dwelling units, and by amending Section 503 to provide that ceiling heights for legalized units are only required to meet the minimum requirements mandated by State law; amending Part II, Chapter I of the San Francisco Municipal Code (Building Code) by adding Section 109 to allow for exemptions from certain code requirements; amending Section 202 to provide that if a density violation is discovered after the expiration of the amnesty period the property owner shall be liable for the full costs incurred by the City in detecting and abating the violation, and amending Section 332.3 to exempt units legalized during the amnesty period, from payment of the work without permit investigation fee; adopting findings pursuant to Planning Code Section 101.1.

**Description:** The proposed ordinance would amend the City's Planning, Building, Housing, and Administrative Codes by adding to and/or changing various sections of those Codes, all for the purpose of legalizing existing dwelling units that are currently illegal. Illegal dwelling units are defined as dwelling units that have not been authorized under the City's regulatory requirements. Owners of existing illegal dwelling units would have a 24 month period, commencing with enactment of this proposed ordinance, during which they could take the necessary actions to bring the currently illegal

units into compliance under the provisions of this proposed legislation.

According to the proposed legislation, an estimated 20,000 to 30,000 dwelling units in buildings throughout the City exist without benefit of permit. Because these illegal dwelling units were constructed without permits or did not receive a final construction inspection, many may contain features or characteristics that do not comply with City codes that regulate land use or construction standards. However, these illegal units constitute a sizeable portion of the City's housing stock, and moreover, a sizeable portion of the City's affordable rental housing stock.

The goals of this proposed ordinance that would implement a two-year amnesty program for legalizing illegal dwelling units are as follows:

1. To the extent practicable, maintain the existing stock of dwelling units;
2. Insure that existing dwelling units comply with the minimum standards of applicable City codes, as modified by the proposed legislation;
3. Enhance the City's finances by collecting registration fees and by collecting property taxes that have been previously uncollected.

The proposed legislation would implement the Amnesty Program by amending the aforementioned City codes, as follows:

Planning Code

1. One dwelling unit in addition to those otherwise permitted under the Planning Code would be permitted, subject to all of the following conditions:
  - a. Required building, electrical, and plumbing permit applications are filed and the permits issued no later than two years after the effective date of this proposed ordinance. Also, a final inspection must be performed or a Certificate of Final Completion issued no later than two years after the effective date of this proposed ordinance;
  - b. Evidence that the unit was in existence prior to January 1, 1992, and that the property owner has notified the Assessor of the existence of the additional unit;

- c. Compliance with all City Planning Code requirements, except for off-street parking requirements, as provided for in this proposed legislation;
  - d. Compliance with all other City codes, except as provided for in this proposed legislation;
  - e. Units authorized under the proposed legislation would be considered a lawful nonconforming use subject to the provisions of City Planning Code Sections 180 through 189;
  - f. Any property owner maintaining an illegal unit on or after the two-year amnesty period would be required to remove the illegal unit or legalize it, if permissible under all relevant code requirements then in existence. The property owner would also be subject to investigation fees and penalty provisions of the Building and Planning Codes.
2. The Zoning Administrator and the Superintendent of the Bureau of Building Inspection would be required to issue a joint report, semi-annually, commencing six months after the effective date of this proposed ordinance, on the effectiveness of the illegal unit Amnesty Program. In the report issued six months prior to the end of the amnesty period, the Superintendent and the Zoning Administrator would be required to propose a program and schedule for detecting and abating illegal units that have not been legalized under the provisions of the proposed Amnesty Program.
3. Dwelling units authorized under the provisions of the proposed Amnesty Program would have the off-street parking requirement waived.
4. A registration penalty would be charged and collected prior to accepting building permit applications filed to legalize a dwelling unit. The registration penalty would be \$1,500 if the application is filed within the first 12 months of the amnesty period and \$3,000 for applications filed in the last 12 months of the amnesty period.

#### Administrative Code

The proposed legislation would amend Section 37.2 of the San Francisco Administrative Code to include dwelling units that would be legalized under the provisions of the proposed amnesty program within the definition of "Rental Units." This provision would place dwelling units legalized under the



proposed Amnesty Program under the provisions of the City's Residential Rent Stabilization and Arbitration Ordinance.

### Housing Code

1. Section 353: Requires that prior to the sale or exchange of any residential building, the owner would request BBI to perform a physical inspection of the property to determine whether the number of dwelling units complies with the density and use requirements of the City's codes.
2. Section 503: Provides that dwelling units authorized under this proposed legislation may have a ceiling height conforming to the minimum requirements mandated by State law rather than the City's more stringent requirements.

### Building Code

1. Section 109: Permits dwelling units authorized under this proposed legislation to meet only those provisions of the Building Code that are determined by the Superintendent of the Bureau of Building Inspection, after consultation with the Fire Department, to be necessary or appropriate to prevent a life hazard, or to prevent buildings from being or becoming substandard, or as otherwise mandated by State or federal laws. The Superintendent would publish an administrative bulletin covering the specific provisions of the Building Code, following consultation with the Fire Department.
2. Section 202: Provides that the Superintendent would take necessary measures, including assessments and liens against property, to abate continuances of illegal dwelling units, upon expiration of the proposed Amnesty Program.
3. Section 332.3: Provides that permit applications filed to legalize dwelling units under the proposed program be exempt from the payment of Work Without Permit Investigation Fees.

### **Comments:**

1. The proposed ordinance, prior to enactment, requires a City Planning Commission review, a public hearing before the Commission, and a recommendation by the City Planning Commission to the Board of Supervisors within 90 days of the Commission receiving the proposed legislation.
2. According to Mr. Robert Passmore, the City's Zoning Administrator, the proposed legislation, prior to enactment, will require an environmental evaluation under the

provisions of the California Environmental Quality Act (CEQA).

3. Mr. Passmore has provided the following information regarding the proposed Amnesty Program:

a. The Department of City Planning has on file approximately 1,400 reported complaints of illegal units. However, the Department has no accurate count of the actual number of illegal dwelling units in the City.

b. Past and current efforts to legalize units have not been very successful. San Francisco instituted an amnesty program in the early 1960's that resulted in the legalization of only approximately 200 dwelling units. Daly City, which has had a legalization program, similar to the proposed Amnesty Program in San Francisco, in existence for approximately ten years, has legalized only approximately 400 dwelling units.

c. In order for the program to be successful, an amnesty program must have a stringent enforcement and penalty component.

d. The provisions for the Fire Code, which are strictly regulated by the State, could impose a significant problem to legalizing many units, particularly structures housing two legal units and one illegal unit. Three dwelling units within a structure activate a series of Fire Code requirements, such as an annual inspection, one-hour fire protection construction, and, if the building has three stories, a sprinkler system.

e. The proposed Amnesty Program would involve a sizeable workload. For example, in addition to an increased plan check workload, the Department of City Planning would be required to verify unit occupancies for affordable or elderly provisions, and perform follow-up inspections relating to such occupancies.

f. The Department's workload for variances from the strict provisions of the Planning Code would increase, possibly significantly.

g. Legalizing currently illegal units would trigger numerous requests for discretionary reviews from neighbors who do not want the units legalized.

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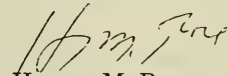
**Estimated  
Revenues:**

The Mayor's recommended FY 1992-93 budget estimates \$5 million in revenue to be generated from the proposed Amnesty Program. In order to obtain that revenue amount in FY 1992-93, owners of a minimum of 3,333 currently illegal dwelling units would have to pay the proposed registration fee of \$1,500, which registration fee would become \$3,000 in the second 12-month period of the proposed Amnesty Program. Based on past experiences, the proposed Amnesty Program would require strong positive incentives as well as prospective strong enforcement measures in order to achieve the estimated \$5 million revenues for FY 1992-93.

**Summary:**

In summary, the proposed Amnesty Program would consist of incentives for owners of currently illegal dwelling units to legalize such units as well as an enforcement program, which would be developed jointly by the Zoning Administrator and the Superintendent of the Bureau of Building Inspection six months prior to the expiration of the proposed Amnesty Program.

**Recommendation:** The decision of whether to implement a two-year Amnesty Program for the purpose of facilitating the legalization of currently illegal dwelling units is a policy decision for the Board of Supervisors.

  
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
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June 10, 1992

Budget Analyst Recommendations

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Item 22 - File 101-91-79

**REVISED**

**Department:** Department of Public Works (DPW)  
Bureau of Building Inspection (BBI)

**Item:** Supplemental Appropriation Ordinance to appropriate funds to the Department of Public Works Repair and Demolition Fund.

**Amount :** \$330,000

**Source of Funds:** Repair and Demolition Fund

**Description:** The Department of Public Works, Bureau of Building Inspection (BBI) has requested a supplemental appropriation to replenish BBI's Repair and Demolition Fund. The Repair and Demolition Fund is a special revolving fund that was created for the purpose of defraying BBI's costs and expenses associated with repairing and making safe property in the City and County of San Francisco.

On February 17, 1992, the Director of the Department of Public Works ordered the owner of property at 22-30 Alta Street (Telegraph Hill) to abate a public nuisance of an unstable structure. The Director's order stated that the structure in question needed to be secured or demolished. In fulfilling this order, the BBI incurred \$330,000 in costs from the Repair and Demolition Fund. These costs included:

<u>Description</u>	<u>Amount</u>
Apersey Construction	\$267,000
Treadwell and Rollo, Geotech Engineers	7,460
Degenkolb Associates, Structural Engineers	18,900
SOHA, Structural Engineers	1,200
DPW Costs	
Bureau of Building Inspection	\$27,361
Bureau of Construction Management	<u>7,586</u>
	<u>34,947</u>
Total	\$329,507*

\* \$330,000 rounded

The present appropriated balance in the Repair and Demolition Fund is \$80,000. According to BBI, the above costs, which have already been incurred, will result in a deficit of \$249,507 (\$80,000 balance less \$329,507 costs incurred).

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**Comments:**

1. According to Mr. John E. Cribbs, Director of Public Works, the BBI will initiate the appropriate action to recover these costs from the property owner of 22-30 Alta Street. The structure on the property has already been demolished. This action will be in the form of voluntary payments or a special assessment lien against the property.
2. According to the Controller's Office, the Repair and Demolition Fund has a current unreserved fund balance of \$363,131. The subject legislation would appropriate \$330,000 of those funds to replenish the Repair and Demolition Fund, thus permitting BBI to pay the costs associated with the structure at 22-30 Alta Street. The appropriation of \$330,000 would leave \$63,132 in the unreserved fund balance.
3. Mr. Don McConlogue of BBI advises that, if, in the future, additional funds above and beyond the remaining \$63,132 in the unreserved fund balance might be required to be expended from the Repair and Demolition Fund, General Fund monies would be needed to augment this fund.
4. Mr. McConlogue also advises that the Repair and Demolition Fund is used on an average of three times per month at \$1,000 per use. Over a one year period this usage would cost the Fund an average of \$36,000.
5. Because the Repair and Demolition Fund currently has an appropriated balance of \$80,000, an additional \$286,000 would be needed to pay both the costs of the property at 22-30 Alta Street (\$330,000) and average annual costs of the Fund (\$36,000).

**Recommendation:** Amend the proposed ordinance as follow:

Change lines 2, 14 and 15 by reducing the requested \$330,000 to \$286,000, a reduction of \$44,000, and approve the proposed Ordinance as amended.



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June 15, 1992  
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**TO:** *///* Finance Committee  
**FROM:** *///* Budget Analyst *Recommendations*  
**SUBJECT:** Mayor's Recommended 1992-93 Budget

At the direction of the Finance Committee, the Budget Analyst has conducted an in depth review of the Mayor's Recommended 1992-93 budget. In addition to the Budget Analyst's recommended reductions to the Mayor's budget, we have also included in our reports, at the direction of the Finance Committee, descriptions of service reductions and tax and revenue measures included in the Mayor's recommended budget. With respect to revenue measures, we have distinguished between those revenue measures requiring approval by the Board of Supervisors and those revenue measures not requiring Board approval. We have also included detailed information on overtime expenditures, again at the specific request of the Finance Committee.

The following highlights some of the data contained in the Mayor's recommended 1992-93 budget:

1. The Mayor's recommended 1992-93 total budget of \$2,701,151,416 is \$298,672,660 or approximately 12.4% percent more than the 1991-92 budget of \$2,402,478,756 as finally approved in the 1991-92 Annual Appropriation Ordinance. The 1992-93 budget provides for two years of Salary Standardization since salaries for City employees were frozen in 1991-92. Other adjustments distort the comparison between the original 1991-92 budget and the Mayor's recommended 1992-93 budget. Such adjustments include additional expenditures to achieve SB 855 revenue (\$63.0 million), increased expenditures resulting from the transfer of certain revenues and related expenditures from the State to the City and County through realignment (\$27.0 million) and an increase (\$70.4 million) due to the infusion of Clean Water Program bond and State loan funds. The following table illustrates the 1991-92 vs. 1992-93 budget comparisons and the adjustments discussed above.

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	1991-92	1992-93		Percentage
	<u>Original Budget</u>	<u>Original Budget</u>	<u>Increase</u>	<u>Increase</u>
Total Budgeted				
Expenditures	\$2,402,478,756	\$2,701,151,416	\$298,672,660	12.4%
<u>Adjustments:</u>				
SB 855 Total Revenue		(63,000,000)		
Realignement - Increased Expenditures		(27,000,000)		
Clean Water Bonds and State Loans		<u>(70,430,000)</u>		
Total Adjustments		(160,430,000)		
Comparison After				
Adjustments	\$2,402,478,756	\$2,540,721,416	\$138,242,660	5.8%

Typically, Police Uniform salary standardization is shown as a revenue reserve in the original budget, but has been included in the Mayor's 1992-93 budget in the amount of \$11.4 million for the recently negotiated MOU. Also included in the budget this year are two years worth of salary standardization in the amount of approximately \$89.6 million. Deducting these amounts from the increase shown above results in a net budget increase of \$37.24 million, or 1.6% compared to the original 1991-92 budget.

2. The Mayor's recommended 1992-93 General Fund budget of \$1,405,320,063 is \$101,651,374 more than the 1991-92 General Fund budget of \$1,303,668,689, representing an increase of approximately 7.8 percent.

3. The Mayor's recommended 1992-93 budget contains a General Fund Reserve of \$10,000,000. In addition, the City has an Emergency Reserve Fund balance of \$4,862,322 carried forward from 1991-92 into 1992-93. Other reserves have been established for specific purposes as follows:

Reserve for Employee Dental Benefits	\$ 13,861,308
Reserve for Audit Adjustments	4,500,000
Reserve for Nurses, Muni and Fire Salary	
Standardization	16,680,000
Reserve for Additional MOU Costs	400,000
Reserve for Public Facilities	7,892,318
Reserve for Litigation	<u>6,550,000</u>
Total	\$ 49,883,626

4. The Mayor's recommended 1992-93 budget includes 24,865 authorized permanent positions or 26 more positions than the 24,839 positions contained in the original 1991-92 budget approved by the Mayor and the Board of Supervisors. When comparing the Mayor's recommended 1992-93 budget to the 1991-92 revised budget, the total number of positions has decreased by 90. The table below illustrates the net increase in positions by source of funds.

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	<u>Permanent Authorized Positions</u>		<u>Increase (Decrease)</u>
	<u>Original 1991-92 Budget</u>	<u>Recommended 1992-93 Budget</u>	
General Fund Departments	11,686	11,524	(162)
General Fund Supported Departments (SFGH, Laguna Honda, Municipal Railway)	7,785	7,732	(53)
Enterprise Fund Departments	2,515	2,537	22
Special Revenue Funds	<u>2,853</u>	<u>3,072</u>	<u>219</u>
Total	24,839	24,865	26

**5. Solving the Estimated General Fund Revenue Shortfall** - On March 31, 1992, a Joint Report signed by the Controller, the Mayor's Director of Finance and the Budget Analyst estimated a 1992-93 General Fund shortfall of \$148.2 million. To balance the 1992-93 budget, the Mayor recommends a combination of tax and revenue increases, increased transfers to the General Fund from non-General Fund sources and reductions to budgeted expenditures. These actions are summarized below:

**Increased Revenues**

**\$ 67.7 million**

**Increased Growth in General Fund Unallocated Revenue: City Parking Garage Rent Increases** - In May, 1992 the Controller, Mayor's Office and Budget Analyst reviewed assumptions concerning future growth in the largest General Fund revenues (e.g. Property taxes, Sales taxes, Motor Vehicle In-lieu, etc.). Based on a slightly more encouraging economic outlook at that time, minor adjustments were made to our growth assumptions that resulted in an approximate 1.0% increase, or \$9.075 million. We note however, that the economic outlook remains highly uncertain, and even a slight recovery could fail to materialize, with consequent negative effects on the City's revenues.

In addition, increased City-owned parking garage rents amounting to approximately \$3.65 million, for which legislation has not yet been approved by the Board of Supervisors, results in a net increase to General Fund Unallocated Revenue of \$12.725 million.

**Increased Commercial Utility User Taxes** - An increase of 1% in the Utility Users Tax rate for commercial ratepayers will result in \$5.5 million.

Further, the Mayor's budget assumes that extension of the tax to out-of-State telephone calls will produce another \$5.5 million for a total revenue increase of \$11.0 million. No hard data has been supplied to support the estimate of \$5.5 million for the out-of-State telephone calls however. We are informed by the Controller that the City of Oakland has a similar tax that produces approximately \$2.0 million annually. Although it appears reasonable to assume that San Francisco commercial customers would produce more out-of-State phone calls than the City of Oakland, the estimate of \$5.5 million remains uncertain at this time.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

In-law Amnesty Permit Fees - The Board of Supervisors recently conducted hearings on this matter and \$5.0 million in revenue is included in the Mayor's budget for this fee and amnesty program. The Budget Analyst has previously reported on this matter, stating that owners of approximately 3,333 currently illegal units would have to take advantage of the amnesty and pay required fees. Again, no hard data supporting this revenue estimate of \$5 million is available. Also, the legislation necessary to enact the amnesty program and fees cannot be approved for at least 90 days, as this Program must be reviewed by the City Planning Commission.

San Francisco General Hospital Revenues (SFGH) - Various Hospital revenues have increased, by a net amount of \$17.1 million compared to estimates provided in the March 31, 1992 Joint Report. Some of these increased revenues may be jeopardized by budget decisions at the State level.

Laguna Honda - As with SFGH revenues, some of the estimated increased revenues for Laguna Honda, amounting to \$11.775 million, may be jeopardized by budget decisions at the State level.

Municipal Railway Fares, Transit Subsidies - The proposed increase in Muni fares included in the Mayor's budget amounts to \$9.6 million, and other revenue sources provide \$0.5 million, for a total of \$10.1 million in increased Muni revenue compared to the amounts estimated for the March 31, 1992 Joint Report. However, we have found in our review of the Mayor's 1992-93 budget, that the fare schedule actually adopted by the Public Utilities Commission (PUC) would provide \$1.3 million less in Muni fares than the amount assumed in the Mayor's budget (i.e. \$8.3 million instead of the budgeted \$9.6 million). We are informed that the Mayor's Office is currently reviewing a PUC proposal to increase the Transit Impact Development Fee (TIDF) transfer to the General Fund by an additional \$9.7 million which would compensate for the \$1.3 revenue overstatement described above and also provide a source of funds for additional expenditures requested by the PUC in connection with the fare increase package. This proposal has not yet been transmitted to the Board of Supervisors.

**Increased Transfers to the General Fund      \$20.95 million**

Equity Transfers (Airport, Hetch Hetchy) - The Airport transfer of concession revenues has increased by \$0.5 million and the Hetch Hetchy transfer of surplus funds has increased by \$6.0 million from amounts assumed in the March 31, 1992 joint report for a total of \$6.5 million.



Increased Bail for Traffic and Parking Citations, Parking Meter Rates - The combination of increased bail for citations under consideration by the Municipal Court and parking meter rate increases recently approved by the Board of Supervisors results in a revenue increase of \$4.4 million from the Traffic Fines Fund.

Increased Rec/Park Transfers from Special Fund - The transfer from Recreation and Park's Special Revenue Funds has increased by \$2.9 million.

Hetch Hetchy one-time transfer to Muni - Hetch Hetchy has budgeted a one-time transfer to the Municipal Railway Fund of \$2.8 million as an offset to Muni's cost of electric power consumed by transit vehicles.

Transfer Impact Development Revenue to MUNI - The transfer of TIDF funds to the Muni operating fund has increased by \$3.05 million. This increase does not include the \$9.7 million in additional TIDF transfers proposed by the PUC (see above).

District Attorney Family Support Transfers - The Transfer of Health and Welfare revenue from the District Attorney's Family Support Division to the General Fund has increased by \$1.3 million.

**Increased Fees - Department Revenues      \$1.6 million**

**Decreased Realignment Revenue from the State      (\$ 3.36 million)**

The amount estimated in our March 31, 1992 joint report for State realignment revenue has decreased by \$3.36 million.

**Decreased Expenditures      \$ 61.31 million**

Decrease in Capital Project Appropriations - The amount assumed for Capital Improvements funded from General Fund sources in our March 31, 1992 joint report was \$10.0 million. The amount included in the Mayor's budget is \$5.5 million or \$4.5 million less.

Special Salary Savings From Reduced Labor Costs - The Mayor's budget recommends special salary savings for each City department, and related fringe benefit reductions amounting to \$6.5 million. As of the writing of this report, we are unaware of the specific basis for this reduction other than the Mayor's expectation that labor costs could be reduced through revisions to collective bargaining agreements now in place. If such savings do not materialize, City departments will be forced to absorb the increased salary savings, resulting in the likely layoff of an estimated 130 employees and corresponding reductions in services.



Lower than Expected General Assistance Caseload Growth - Due to recent decreases in General Assistance (G.A.) Caseloads, current projections would result in \$7.5 million less in G.A. payments than the amount assumed in the March 31, 1992 joint report.

Operating Expenditure Reductions - Approximately \$42.8 million in other expenditure reductions were included in the Mayor's budget to eliminate the remainder of the \$148.2 million revenue shortfall estimated in our March 31, 1992 joint report. However, as discussed later in this report, some of these reductions occurred because of budgeting errors and reductions to certain expenditure accounts that have been difficult to control in the past.

This amount of General Fund underbudgeted expenditures, contained in the Mayor's budget, totals \$7.1 million in the judgment of the Budget Analyst.

The table on the following page summarizes the steps taken to eliminate the \$148.2 million shortfall projected for 1992-93 in our March 31, 1992 joint report.

<u>Estimated Shortfall Presented in Joint Report of March 31, 1992:</u>		<u>(\$148,200)</u>
<u>Increased Revenues</u>	<u>Millions</u>	
Increased Growth in General Fund Unallocated Revenue; City Garage Rent Increases	\$12,725	
Increased Utility User Tax Revenue	11,000	
In-law Amnesty Permit Fees	5,000	
San Francisco General Hospital Revenues	17,100	
Laguna Honda	11,775	
MUNI Fares, Transit Subsidies	<u>10,100</u>	
<b>sub-total</b>		<b>\$ 67,700</b>
<u>Increased Transfers to the General Fund</u>		
Equity Transfers (Airport, Hetch Hetchy)	6,500	
Increased Bail for Traffic Citations, Parking Meter Rates	4,400	
Increased Rec/Park Transfers from Special Fund	2,900	
Hetch Hetchy one-time transfer to Muni	2,800	
Transfer Impact Development Revenue to MUNI	3,050	
DA Family Support Transfers	<u>1,300</u>	
<b>sub-total</b>		<b>20,950</b>
Increased Fees - Departmental Revenues	<u>1,600</u>	
<b>Total Increased Revenue and Transfers</b>		<b>\$90,250</b>
<u>Revenue Adjustments:</u>		
Decreased Realignment Revenue from State	<u>(3,360)</u>	
<b>Net Increased General Fund Revenue</b>		<b>\$86,890</b>
<u>Decreased Expenditures</u>		
Decrease in Capital Project Appropriations	4,500	
Special Salary Savings From Reduced Labor Costs	6,500	
Lower than Expected General Assistance Caseload Growth	7,500	
Operating Expenditure Reductions	<u>42,810</u>	
<b>Total Expenditure Reductions</b>		<b>\$61,310</b>
Grand Total of Steps Taken to Eliminate the Shortfall		<u><u>\$148,200</u></u>
<b>Remaining Shortfall</b>		<b>\$0</b>

As can be seen from the table above, the \$148.2 million estimated shortfall for 1992-93 was resolved through \$86.89 million in net revenue increases (58.6%) and \$61.31 million in expenditure reductions (41.4%).

6. Based on our review and analysis, the Mayor's recommended 1992-93 budget includes the following estimated underbudgeted expenditures and potentially overstated revenues:

	Amount of Deficiencies <u>in millions</u>
<u>Underbudgeted Expenditures</u>	
Workers Compensation - (General Fund only)	\$ 2.2
Police Department -	
Overtime, and Extended Work Week	\$ 3.0
Budgeting error for lease purchase of equipment	\$ 1.3
Need to increase Children's Fund baseline for one-time transfer of surplus partial property tax funds for School music program	<u>\$ 0.6</u>
Total Estimated Underbudgeted Expenditures	\$7.1
<u>Revenues Contingent on Approval of Federal Legislation</u>	
Community Mental Health Services	\$ 3.2
<u>Other Revenue Issues</u>	
Overbudgeting of Muni fares	<u>\$ 1.3*</u>
Total	\$ 11.6

\* There is a pending proposal to transfer additional TIDF revenues.

The \$11.6 million in underbudgeted expenditures and potentially overstated revenues exceeds the City's General Fund Reserve of \$10 million by \$1.6 million.

7. It should be noted that the Mayor's recommended 1992-93 budget is balanced based on the assumption that the Board of Supervisors will approve several revenue measures. Primary among these are the Muni fare package (\$9.6 million in the Mayor's budget), increased Utility Users tax rates for commercial customers (\$11.0 million), In-law amnesty permit fees (\$5.0 million), and increased rates for City owned parking garages (\$3.0 million). These revenue amounts total \$28.6 million and have been included in the Mayor's proposed 1992-93 budget. A number of other, smaller revenue increases requiring future legislative approval have also been included in the Mayor's proposed budget. These revenues total substantially less than \$1.0 million.

If such revenue measures are not approved by the Board of Supervisors, the budget will not be in balance, unless the Board approves other revenue measures or makes expenditure reductions totaling \$28.6 million.

**8. Proposition A Positions Restored in the Mayor's 1992-93 Budget** - Of the 1,336 positions that retired pursuant to Proposition A, the Proposition A Early Retirement Committee restored 836 positions that were considered either mandated or essential, in the Committee's judgment, to the effective operation of the City government functions. The balance of 500 positions that were considered to be less essential by the Committee were eliminated by the Committee as a condition of Proposition A.

Proposition A provides that the Mayor can restore any of the 500 positions that were deleted by the Proposition A Committee, if, in the Mayor's opinion, such positions are needed, with concurrence of the Board of Supervisors by a two-thirds, majority vote. The Mayor's proposed budget for 1992-93 includes the restoration of 102 of the 500 positions that were to be deleted. In order to ameliorate the proposed restoration of 102 positions, the Mayor has identified 71 other positions that will be sacrificed and deleted as substitutions for the 102 positions resulting in a net increase of 31 restored positions with no offsetting reductions of positions. In other words, a net of 469 positions have been deleted following Proposition A. The net increase in budgeted cost to restore the 31 positions is \$1,726,612 plus approximately \$431,653 for fringe benefits for a total cost of \$2,158,265. The additional salary costs/savings for each City department for which the Mayor proposes restoring positions are as follows:

<u>Department</u>	<u>Number of Deleted Positions</u>	<u>Total Salaries of Positions</u>	<u>Number of Restored Positions</u>	<u>Total Salaries of Positions</u>	<u>Net Increase In Positions</u>	<u>Net Cost (Savings)</u>
Treasurer Tax Collector	2	\$64,679	2	\$76,496	0	\$11,817
Juvenile Probation	2	84,997	2	93,682	0	8,685
Adult Probation	1	45,972	1	40,558	0	(5,414)
City Planning	1	66,112	1	62,998	0	(3,114)
Municipal Railway	27	1,294,869	31	1,135,576	4	(159,293)
Parking & Traffic Commission	6	188,390	6	188,390	0	0
Public Library	3	124,349	3	121,577	0	(2,772)
Recreation & Park Commission			2	99,401	2	99,401
Social Services			2	70,576	2	70,576
Electricity	2	96,800	2	92,754	0	(4,046)
Public Health - Central			9	517,089	9	517,089
Laguna Honda Hospital			11	506,548	11	506,548
San Fran. General Hosp.	16	446,635	18	848,340	2	401,705
Community Mental Health			1	35,209	1	35,209
Public Works	10	116,451	10	354,640	0	238,189
Purchaser	1	35,209	1	47,241	0	12,032
<b>Total</b>	<b>71</b>	<b>\$2,564,463</b>	<b>102</b>	<b>\$4,291,075</b>	<b>31</b>	<b>\$1,726,612</b>

\* Although there is a savings for 1992-93, the salaries of the 31 restored positions at the top step exceed the salaries of the 27 sacrificed positions at the top step by \$124,810, annually.

The detailed budget reports and recommendations of the Budget Analyst for each City department will specifically identify all Proposition A positions restored in the Mayor's proposed 1992-93 budget.

**9. Significant Revenue Decreases Due to the Adoption of the State Budget.**

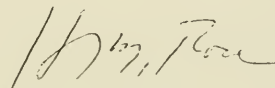
It is well known by now that the City and County of San Francisco can expect significant reductions in State revenues, grants and subventions depending on the actions taken to balance the 1992-93 State budget. The amounts of such reductions cannot be estimated with any reasonable accuracy at this time. The areas of the City's budget most likely to be affected are Health, Mental Health and Social Services.

To offset such reductions, the Mayor and the Board of Supervisors must either increase other, local, revenues or cut the budget further. The savings resulting from all of the recommendations of the Budget Analyst which may be accepted by the Board of Supervisors are returned to the City's General Fund General Reserve. In prior years, such savings have been designated for other needed purposes, subject to subsequent appropriation approval by the Mayor and the Board of Supervisors. This year, because of the anticipated significant impact of the pending State budget, the Budget Analyst strongly recommends that any such savings remain undesignated at this time until the Board of Supervisors can consider the impact of State budget decisions and appropriate policy alternatives to resolve the problems that will befall the City and County's budget.



11. The results of the Budget Analyst's review are detailed in three separate reports to the Finance Committee. Each report contains the recommendations of the Budget Analyst, along with explanations supporting those recommendations. These reports are as follows:

- Culture and Recreation, Public Works, Transportation and Commerce and Public Protection (June 16, 1992, 1:30 p.m.)
- Human Welfare and Community Health (June 17, 1992, 1:30 p.m.)
- General Administration and Finance, Public Protection and Capital Projects, (June 23, 1992, 1:30 p.m.)



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller

Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey



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CALENDAR

DEPARTMENTAL BUDGET HEARINGS  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JUNE 16, 1992 - 1:30 P.M.-10:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

1. File 100-92-1. Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1992-93. (Mayor)

Culture and Recreation

- 07 County Education Office
- 60 Academy of Sciences
- 28 Arts Commission
- 46 War Memorial
- 61 Fine Arts Museums
- 62 Asian Art Museum
- 41 Public Library
- 42 Recreation and Park

Public Works, Transportation and Commerce

- 90 Public Works
- 27 Airport
- 39 Port
- 36 Parking and Traffic
- 75 Electricity
- 40 Public Utilities Commission (PUC)
- 49 PUC Light, Heat and Power
- 32 Hetch Hetchy Project
- 47 Water
- 35 Municipal Railway
- San Francisco Redevelopment Agency
- 29 City Planning

Public Protection

- 10 Superior Court
- 15 County Clerk
- 11 Municipal Court
- 06 Sheriff
- 31 Fire
- 38 Police

ACTION: Departmental hearings held. (Port and Municipal Railway recessed to June 23, 1992.)



PLEASE NOTE THAT MEETING  
WILL BEGIN AT 2:00 P.M.  
INSTEAD OF 1:30 P.M.

CALENDAR

DEPARTMENTAL BUDGET HEARINGS  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JUNE 17, 1992 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

1. File 100-92-1. Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1992-93. (Mayor)

Human Welfare

- 26 Commission on Aging
- 34 Human Rights Commission
- 48 Commission on the Status of Women
- 45 Social Services

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Community Health

- 83 Public Health Central Office
- 85 Laguna Honda Hospital
- 86 San Francisco General Hospital
- 87 Community Mental Health Services

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ACTION: Departmental hearings held.

File 97-92-38. Hearing held. Ordinance prepared in and reported out of Committee entitled: "Amending the San Francisco Administrative Code, General Assistance Program, by amending Section 20.57 to suspend from August 1, 1992, through September 30, 1992, the imposition of the automatic adjustment to the maximum General Assistance grant amounts provided in this Section." Recommended.





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MEMORANDUM

CLERK'S OFFICE - BOARD OF SUPERVISORS

Finance Comm. JUNE 18, 1992

TO: INTERESTED PERSONS

FROM: CLERK OF THE BOARD

SUBJECT: 1992-93 BUDGET CALENDAR  
REVISED SCHEDULE

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Attached is a revised schedule for action by the Board of Supervisors on next year's budget.

Departmental budget hearings were held on June 16 and 17, 1992. The next departmental budget hearing will be held on June 23, 1992, at 2:00 p.m., in Room 228, City Hall, San Francisco, California.

Please note that the Finance Committee will hold a meeting on June 24, 1992, related to revenue matters.

Calendars for the meetings of June 23 and June 24, 1992, are attached.

The Committee will hold budget review meetings on June 30, July 1, and July 2, 1992, at 2:00 p.m.

Your careful attention to this schedule will be greatly appreciated.

Attachment

**1992-93 BUDGET CALENDAR**

<b>June 1</b>	Transmittal of budget from Mayor to Board of Supervisors.
<b>June 1 through June 16</b>	Analysis of budget and preparation of recommendations on Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance by Budget Analyst for consideration by the Finance Committee.
<b>June 10</b>	Hearing by the Finance Committee to consider recommendations on Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance.
<b>June 1 through June 14</b>	Preparation of recommendations on budget by Budget Analyst for consideration by the Finance Committee.
<b>June 15</b>	Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance reported to full Board of Supervisors with Finance Committee recommendations; Interim Annual Appropriation and Interim Annual Salary Ordinance passed for second reading.
<b>June 16, 17, 23</b>	Finance Committee departmental hearings on Annual Budget.
<b>June 22</b>	Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance finally passed by Board of Supervisors. Board of Supervisors public hearing on Annual Budget, 4:00 p.m.
<b>June 24</b>	Finance Committee meeting relating to revenue matters.
<b>June 30, July 1, 2</b>	Finance Committee budget review meetings.
<b>July 2 through July 6</b>	Preparation by Budget Analyst of Finance Committee recommendations to Board of Supervisors on Annual Budget.
<b>July 7, 8, 9</b>	Annual Appropriation Ordinance and Annual Salary Ordinance prepared by Controller and Civil Service Commission staff.
<b>July 13</b>	Annual Budget reported to Board of Supervisors with Finance Committee recommendations and budget message.
<b>July 20</b>	Board of Supervisors adopts budget.
<b>July 20</b>	Annual Appropriation Ordinance and Annual Salary Ordinance passed for second reading.
<b>July 27</b>	Annual Appropriation Ordinance and Annual Salary Ordinance finally passed.
<b>August 20</b>	Last day for Board to act on Mayor's veto of Annual Appropriation Ordinance.

CALENDAR - *Actions taken*

DEPARTMENTAL BUDGET HEARINGS  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JUNE 23, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

1. File 100-92-1. Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1992-93. (Mayor)

"Catch-up Session"

(recessed from 6/16/92)

- 35 Municipal Railway  
39 Port

General Administration and Finance

- 70 Chief Administrative Officer  
93 Convention Facilities Management  
01 Board of Supervisors  
25 Mayor  
23 Children's Fund  
03 City Attorney  
08 Treasurer - Tax Collector  
09 Controller  
91 Purchaser  
02 Assessor  
78 Recorder  
80 Registrar  
37 Permit Appeals  
65 Rent Arbitration Board  
71 Real Estate  
30 Civil Service  
33 Health Service System  
44 Retirement System

Public Protection

- 13 Adult Probation  
12 Juvenile Court  
63 Law Library  
72 County Agriculture - Weights & Measures  
74 Medical Examiner/Coroner  
76 Animal Care and Control  
79 Public Administrator/Guardian  
44 District Attorney  
05 Public Defender  
  
97 General City Responsibilities

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99 Capital Projects

ACTION: Departmental hearings held. (Municipal Railway recessed to June 30, 1992.)



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CALENDAR - Action Taken

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JUNE 24, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

1. File 100-92-5. Hearing to consider the impact of State budget cuts on the revenue of the City and County of San Francisco. (Supervisor Migden)

ACTION: Hearing held. Continued to June 30, 1992, meeting.

2. File 127-92-5. [Utility Users Tax Rate Adjustment] Ordinance amending Part III, Municipal Code (Utility Users Tax), to extend the telephone users tax to interstate and international telephone communication services and to increase the rates of the telephone users tax to six and one-half percent (6-1/2%), of the electricity users tax to six and one-half percent (6-1/2%), of the gas users tax to six and one-half percent (6-1/2%), of the water users tax to six and one-half percent (6-1/2%), and of the steam users tax to six and one-half percent (6-1/2%) for one year commencing July 1, 1992. (Mayor)

ACTION: Amended on page 1, lines 10 and 19, and on page 2, line 5, by replacing "July" with "August". Recommended as amended to Board for consideration on July 6, 1992. New title: "Amending Part III, Municipal Code (Utility Users Tax), to extend the telephone users tax to interstate and international telephone communication services and to increase the rates of the telephone users tax to six and one-half percent (6-1/2%), of the electricity users tax to six and one-half percent (6-1/2%), of the gas users tax to six and one-half percent (6-1/2%), of the water users tax to six and one-half percent (6-1/2%), and of the steam users tax to six and one-half percent (6-1/2%) for one year commencing August 1, 1992."

3. File 47-92-4. [Parking Rate Change] Resolution approving changes in parking rates at City-owned parking facilities. (Department of Parking and Traffic)

ACTION: Amendment of the Whole bearing same title adopted. Continued to July 1, 1992, meeting.

4. File 124-92-4.1. Hearing to consider increasing the rates for parking meters within parking meter areas numbers 2, 3, and 4. (Supervisor Gonzalez)

ACTION: Hearing held. Ordinance prepared in and reported out of Committee entitled: "Amending Traffic Code by amending Sections 200, 202.A, 203.2, 203.3 and 203.4, to increase the rates for parking meters within parking meter areas numbers 2, 3, and 4, and to provide that parking meters in these areas will be operated only by quarters." Recommended.

File 124-92-3.1. Hearing held. Ordinance prepared in and reported out of Committee entitled: "Amending Traffic Code by amending Section 213, to provide that in Fiscal Year 1992-93 the first \$8.0 million in parking meter revenues will be allocated to the General Fund and revenues in excess of \$8.0 million will be allocated to the Off-Street Parking Fund." Recommended.

IT IS THE INTENTION OF THE CHAIR TO CONTINUE CONSIDERATION OF THE FOLLOWING ITEMS TO JULY 1, 1992, AFTER HEARING PUBLIC TESTIMONY:

5. File 97-92-37. [Street Closure Fees] Ordinance amending Administrative Code (Temporary Use or Occupancy of Public Streets) by amending Section 2.70-6 thereof, to increase the application fee for temporary use of streets for street fairs from forty dollars to eighty dollars. (Department of Parking and Traffic)

ACTION: Continued to July 1, 1992, meeting.

6. File 123-92-2. [Permit and Inspection Fees] Ordinance amending Public Works Code by amending Sections 179, 184.52, 708.2 and 725.3 to change the amounts of various fees provided for in those sections. (Department of Public Works)

ACTION: Continued to July 1, 1992, meeting.

7. File 124-92-6. [Vehicle Removal Administrative Fee] Ordinance amending the Traffic Code by adding thereto Section 170.1, relating to imposing an administrative fee for removing vehicles from city streets and highways. (Department of Parking and Traffic)

ACTION: Continued to July 1, 1992, meeting.

8. File 124-92-7. [Abatement of Abandoned Vehicles] DRAFT ordinance amending Traffic Code by adding, as Article 13A thereof, Section 225, relating to establishment of a service authority for abatement of abandoned vehicles; Section 226 relating to imposing a service fee for the Abandoned Vehicle Trust Fund; Section 227 relating to procedures for abatement of abandoned vehicles; and Section 228 relating to preparation of an Abandoned Vehicle Abatement Program and Plan; and by amending Article 14 thereof in the following particulars: amending Sections 230, 231 and 245 thereof, to include highways as property from which abandoned vehicles may be removed; further amending Section 231 thereof to add a definition of "Director of Parking and Traffic"; and further amending Section 245 thereof, to allow moneys received from the State's Abandoned Vehicle Trust Fund to be credited to the Abandoned Vehicle Abatement and Removal Fund of the City. (Department of Parking and Traffic)

ACTION: Continued to July 1, 1992, meeting.

9. File 192-92-4. [Abandoned Vehicles] Resolution designating the Parking and Traffic Commission of the City and County of San Francisco as the service authority for the abatement of abandoned vehicles and establishing a one dollar vehicle registration fee on all vehicles registered in San Francisco to be used only for the abatement, removal, and disposal of abandoned vehicles. (Department of Parking and Traffic)

ACTION: Continued to July 1, 1992, meeting.

10. File 97-92-34. [Fees - Medical Examiner-Coroner] Ordinance amending Administrative Code by amending Section 8.14 thereof, authorizing the Medical Examiner-Coroner to charge fees for certain services and to increase fees for copies of documents and certain services. (Chief Medical Examiner - Coroner)

ACTION: Continued to July 1, 1992, meeting.



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CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

June 22, 1992

TO: Finance Committee  
FROM: Budget Analyst *re commendations*  
SUBJECT: June 24, 1992 Finance Committee Meeting

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### Item 1 - File 100-92-5

1. This is a hearing to consider the impact of State budget cuts on the revenues of the City and County of San Francisco.

2. As of the writing of this report, several different proposals by the Governor and various portions of the California Legislature exist and no final steps have been taken toward final adoption of the 1992-93 State budget. Until such final adoption, we are unable to assess the exact impact on the revenues and expenditures of the City and County of San Francisco.

3. The Controller, the Mayor's Office and the Budget Analyst will report their latest information on the State budget at the Finance Committee's meeting of June 24, 1992.





Item 2 - File 127-92-5

**Department:** Not Applicable (City General Fund Unallocated Revenue)

**Item:** Ordinance amending the Municipal Code to increase Utility Users Tax rates and to extend the tax to Interstate and International Telephone Communications Services.

**Description:** The proposed ordinance specifies that, for utility bills rendered during the period commencing July 1, 1992 and ending June 30, 1993 the following 1% or 1.5% tax increases for utility users will apply:

<u>Tax Rates</u>	<u>From</u>	<u>To</u>
Telephone Users	5.5%	6.5%
Gas, Electricity, Water and Steam Users	5.0%	6.5%

In addition, a 6.5% tax will be applied to customers other than a telephone corporation using interstate and international telephone communications services in the City and County.

**Comments:** 1. The Mayor's proposed 1992-93 budget includes a Utility Users Tax rate increase of either 1% or 1.5%, depending on the user, to earn \$11,031,143 over and above the base revenue for Utility User taxes of \$27,831,000. The additional revenue produced from the rate increase of 1.0% for telephone users and 1.5% for Electricity, Gas, Water and Steam users is an estimated \$7.2 million, as shown in the table below.

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Revenue Based on Existing Rates</u>	<u>Revenue Based on New Rates</u>	<u>Increased Revenue</u>
Telephone Users	5.5%	6.5%	\$9,700,000	\$11,463,636	\$1,763,636
Electricity and Gas Users; others	5.0%	6.5%	<u>18,131,000</u>	<u>23,570,300</u>	<u>5,439,300</u>
			\$27,831,000	\$35,033,936	\$7,202,936

2. The balance of revenue required to meet the Mayor's 1992-93 budgeted amount of \$11,031,143 million for this tax increase is therefore \$3,828,207. This amount must be produced by the extension of the 6.5% tax on telephone users for interstate and international telephone calls.

3. In order to evaluate the reasonableness of the \$3.8 million revenue estimate, the Budget Analyst has reviewed in detail the City of Oakland's experience in the current 1991-92 fiscal year due to a similar 1% utility tax increase (from 5.5% to 6.5%) which the City imposed and extended to interstate and international telephone service users.

Based on our review, and proprietary information provided by one of the larger long distance carriers, we have now concluded that the \$3.8 million estimate is reasonable and that the total increased revenue of an estimated \$11.0 million is attainable in 1992-93.

4. Appendix P to the Charter amended Section 707.1 of the Municipal Code by initiative ordinance and prohibits the levying of Utility Users Tax (telephone communication services, electrical energy or gas, water or steam) upon residential customers. Residential customers are defined as any customer paying for the utility service at a residential or domestic rate as defined within the rate schedules set by the California Public Utilities Commission, or any other rate making authority.

According to Deputy City Attorney Burk Delvanthal, a recent court decision on a taxpayers suit against the City and County of San Francisco held that the voters lacked the power to exempt residential customers from the Utility Users Tax and directed the Tax Collector to collect the tax from such residential customers. The City has appealed the order, and the Tax Collector is not collecting the tax from residential customers, pending resolution of the appeal. If the order is upheld, the collection of the Utility Users Tax from residential customers will result in an additional \$11 million annually (at current rates of 5.5% for telephone users and 5.0% for all others). Mr. Delvanthal adds that the appeal is not likely to be resolved by the Appellate Court during the 1992-93 fiscal year and that, if the lower court order is upheld, the tax on residential customers will be collected prospectively and not retroactively. If the appeal is not settled until June 30, 1993 or thereafter, residential customers will not be affected by this tax increase and tax extension since the ordinance sunsets on June 30, 1993.

5. In the Budget Analyst's overview report on the Mayor's proposed budget, issued June 15, 1992 to the Finance Committee, we questioned the estimated \$5.5 million amount that needed to be earned by the extension of the tax to out-of-state telephone calls. However, because this proposed ordinance includes a 1.5% increase for gas, electric and other users, and not 1.0% as was previously stated by the Controller and the Mayor, the amount needed from the extension of the tax on interstate and international telephone calls diminishes from \$5.5 million to \$3.8 million. Based on (a) the increased tax rate of 0.5% for gas, electric and other users, (b) our analysis of the City of Oakland's revenue from the extension and (c) new information from a large long distance carrier, we now conclude that the revenue estimate of \$11,031,143 is attainable.

**Recommendation:** Approval of this ordinance increasing the Utility Users Tax is a policy decision of the Board of Supervisors.

As noted above, this legislation results in the Utility Users Tax rate for Electric, Gas, Water and Steam users increasing by 1.5% and not 1.0% as previously reported by the Mayor.





Item 3 - File 47-92-4

**Department:** Parking and Traffic

**Item:** Resolution to change parking rates at 13 City-owned parking garage and parking lot facilities.

**Description:** Because of the need to increase revenues in the fiscal year 1992-93 budget, the Department of Parking and Traffic has determined that parking rates at 13 City-owned parking garages and lots should be increased to achieve a 20 percent increase in revenues from each facility, as requested by the Mayor. The Department of Parking and Traffic estimates that the proposed rate changes would increase parking revenues from parking garages and lots by \$1,089,543 from \$11,338,580 in 1991-92 to \$12,428,123 for 1992-93.

The proposed rate changes are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Increase</u>
<b><u>Civic Center</u></b>			
1 hr	\$0.75	\$1.00	33
2 hr	1.75	2.00	14
3 hr	2.75	3.25	18
4 hr	4.00	4.50	13
5 hr	5.00	6.00	20
6 hr	6.00	7.50	25
7 hr+	7.75	9.00	16
Special Event	4.00	5.00	25
Motorcycle (Day)	1.00	1.00	*
Monthly			
Private	110.00	156.25	42
Government	91.00	125.00	37
<b><u>Golden Gateway</u></b>			
1 hr	\$2.00	\$3.00	50
2 hr	4.00	6.00	50
3 hr	6.50	9.00	38
4 hr	9.00	12.00	33
5 hr	12.00	15.00	25
6 hr+	16.00	18.00	13
Evening After 6 pm	4.00	4.00	*
Early Bird	-	12.00	**
Monthly	250.00	260.00	4
Motorcycle			
Day	3.00	3.00	*
Monthly	50.00	50.00	*

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	Current Rate	Proposed Rate	Percent Increase
<b><u>Lombard Street</u></b>			
<b><u>Day</u></b>			
1 hr	\$0.75	\$0.75	*
2 hr	1.50	1.50	*
3 hr	2.50	2.50	*
4 hr	4.25	4.25	*
5 hr	5.50	5.50	*
<b><u>Evening</u></b>			
1 hr	1.00	1.00	*
2 hr	2.50	2.50	*
3 hr	3.50	3.50	*
Overnight	4.00	4.00	*
Monthly	-	75.00	**
<b><u>Mission-Bartlett</u></b>			
1 hr	\$0.50	\$0.50	*
2 hr	1.00	1.25	25
3 hr	1.50	2.00	33
4 hr	2.00	2.75	38
5 hr	2.50	3.50	40
6 hr	3.00	4.25	42
7 hr	3.50	5.00	43
8 hr	4.00	5.00	25
9 hr	4.50	5.00	11
10 hr	5.00	5.00	*
Monthly	60.00	75.00	25
<b><u>Moscone Center</u></b>			
1 hr	\$0.75	\$1.00	33
2 hr	1.25	2.50	100
3 hr	2.50	4.00	60
4 hr	4.00	5.50	38
5 hr	5.50	7.00	27
6 hr	7.00	9.00	29
7 hr+	9.00	12.00	33
Special Event	5.00	7.00	40
Early Bird	7.00	7.00	*
Monthly	130.00	145.00	12

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Increase</u>
<b><u>Performing Arts</u></b>			
1 hr	\$0.75	\$1.00	33
2 hr	1.50	2.00	33
3 hr	2.25	3.50	56
4 hr	3.25	5.00	54
5 hr	4.50	6.50	44
6 hr	5.50	8.00	45
7 hr+	6.50	8.00	23
Special Event	4.25	5.00	18
Early Bird	4.25	5.00	18
Monthly	100.00	115.00	15
<b><u>Polk/McAllister</u></b>			
1 hr	\$1.50	\$2.00	33
2 hr	2.25	3.50	56
3 hr	2.75	4.50	64
4 hr	4.25	5.50	29
5 hr	6.50	7.00	8
6 hr+	9.00	9.00	*
Special Event	4.00	5.00	25
<b><u>Portsmouth Square</u></b>			
<u>Day</u>			
1 hr	\$0.75	\$1.00	33
2 hr	2.00	2.50	25
3 hr	4.00	4.50	13
4 hr	6.50	7.00	8
5 hr	8.75	9.00	3
6 hr	11.25	11.50	2
7 hr	13.75	14.25	4
8 hr	16.00	16.50	3
<b><u>Evening</u></b>			
1 hr	-	1.00	**
2 hr	-	2.00	**
3 hr	-	4.50	**
Overnight	3.00	3.00	*
Monthly	260.00	260.00	*

	Current <u>Rate</u>	Proposed <u>Rate</u>	Percent <u>Increase</u>
<u>Seventh &amp; Harrison</u>			
1 hr	\$1.00	\$1.50	50
2 hr	2.00	2.50	25
3 hr	3.50	3.75	7
4 hr	4.50	5.00	11
5 hr+	5.50	6.25	14
Overnight	1.50	1.50	*
<u>St. Mary's Square</u>			
<u>Day</u>			
0.5 hr	\$1.75	\$2.50	43
1 hr	3.50	4.00	14
1.5 hr	5.25	5.50	5
2 hr	7.25	7.50	3
2.5 hr	9.25	9.50	3
3 hr	11.25	11.50	2
3.5 hr	13.25	13.50	2
4 hr+	15.75	17.00	8
<u>Evening</u>			
1 hr	0.75	1.00	33
2 hr	2.00	2.50	25
3 hr	4.00	4.50	13
4 hr	5.75	6.00	4
5 hr	7.25	7.50	3
6 hr	9.75	10.00	3
Early Bird	-	12.00	*
Monthly	260.00	260.00	*
<u>Sutter/Stockton</u>			
1 hr	\$0.75	\$1.00	33
2 hr	1.25	1.50	20
3 hr	2.50	2.50	*
4 hr	4.75	5.00	5
5 hr	8.00	8.00	*
6 hr	11.00	11.00	*
7 hr+	14.75	15.00	2
Nights and Sundays	2.50	2.50	*
Early Bird	-	10.00	**
Monthly	225.00	250.00	11
Motorcycle			
Day	2.00	2.00	*
Monthly	40.00	40.00	*

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	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent Increase</u>
<u><b>Vallejo Street</b></u>			
<u><b>Day</b></u>			
1 hr	\$0.75	\$1.00	33
2 hr	1.50	2.25	50
3 hr	4.00	4.50	13
4 hr	6.25	6.25	*
5 hr	8.50	8.75	3
6 hr	10.50	10.50	*
7 hr	12.50	12.75	2
<u><b>Evening</b></u>			
1 hr	1.25	1.50	20
2 hr	2.50	3.25	30
3 hr	5.00	5.00	*
4 hr	7.00	7.00	*
5 hr	9.00	10.00	11
Monthly	250.00	275.00	10
<u><b>Union Square</b></u>			
0.5 hr	\$0.75	\$0.75	*
1 hr	2.00	2.00	*
1.5 hr	2.75	2.75	*
2 hr	3.75	3.75	*
2.5 hr	5.00	5.25	5
3 hr	6.00	6.25	4
3.5 hr	7.00	8.00	14
4 hr	8.00	9.00	13
4.5 hr	9.25	10.00	8
5 hr	10.50	11.00	5
5.5 hr	12.25	13.00	6
6 hr	13.50	15.00	11
6.5 hr+	15.50	16.00	3
Monthly	290.00	310.00	7
Hotel Parking (daily)	-	7.75	**

\* No change in rate

\*\* New rate



**Comments:**

1. Garage parking rates were last increased in 1991 as a result of a five percent increase in the Parking Tax that was passed through to the parking customers by an increase in the parking rates. The last increase in parking rates alone occurred in 1988.

2. There are two clerical errors in the proposed legislation. Line three on page two should be amended to show the current rate for four hours at the Lombard Street facility as \$4.25 instead of \$4.50. For the St. Mary's Square garage, an Earlybird proposed rate of \$12.00 should be added on line eight of page three.

3. The proposed increases in garage parking rates will result in increases of gross receipts for each facility, which are also subject to the Parking Garage Tax and the Gross Receipts Tax. The Department of Parking and Traffic estimates that the resulting increases in these tax revenues will be \$758,350 and \$281,849 (respectively) in 1992-93, in addition to the estimated \$1,089,543 increase in garage parking revenues (total increased General Fund revenues of \$2,129,742 as a result of the proposed rate changes).

4. The total \$2,129,742 estimated revenues resulting from the proposed garage parking rate increases have been included in the Mayor's proposed budget for 1992-93.

**Recommendations:** 1. Amend the proposed resolution as detailed in Comment 2, above.

2. The proposed garage parking rate increases are a policy matter for the Board of Supervisors.

Item 4 - File 124-92-4.1

**Department:** Department of Parking and Traffic

**Item:** Hearing to consider increasing the rates for parking meters within parking meter areas numbers 2, 3 and 4.

**Description:** This item is a hearing to consider amending Sections 200, 202.A, 203.2, 203.3 and 203.4 of Part II, Chapter XI of the Traffic Code to increase the rates for parking meters within parking meter areas numbers 2, 3, and 4, which are distributed throughout the City's commercial and downtown areas (excluding the financial district). Sections 200 and 202.A would be amended to provide that parking meters will accept quarters only, instead of nickels, dimes and quarters, as is currently provided for in these Sections. The Parking and Traffic Department reports that converting the meters to quarters only will (1) reduce meter collections because meter cans will not fill up as quickly with quarters only (2) reduce maintenance on meters because having only one slot for quarters will reduce the number of meter jams and (3) reduce meter fraud because "slugs" (fake coins) which are dime size are more prevalent than quarter size "slugs". The Department adds that there is currently a general trend by local jurisdictions to convert to quarter only meters. Sections 203.2, 203.3 and 203.4 would be amended to increase the parking meter rates in parking meter areas 2, 3 and 4 as follows:

Meter Rate Area 2

The 30-minute, one-hour and two-hour meter rates would be increased from \$0.75 per hour to \$1.00 per hour.

Meter Rate Area 3

The 30-minute, one-hour and two-hour meter rates would be increased from \$0.30 per hour to \$0.50 per hour.

Meter Rate Area 4

The 30-minute, one-hour and two-hour meter rates would be increased from \$0.75 per hour to \$1.00 per hour.

2. The ordinance which would increase the rates for parking meters within parking meter areas 2, 3 and 4 is currently pending before the Finance Committee (File 124-92-4).

3. A companion proposed ordinance (File 124-92-3), which is also pending before the Finance Committee, would amend Section 213 of Part II, Chapter XI of the Traffic Code. Section 213 outlines the amount of parking meter revenues that are credited to the General Fund and the Off-Street Parking Fund. The proposed ordinance would amend this Section to stipulate that in fiscal year 1992-93, the first \$6.5 million in parking meter revenues will be credited to the

General Fund, instead of \$6 million as is currently provided for in Section 213, or \$500,000 more annually to the General Funds (included in the 1992-93 Mayor's recommended budget).

**Comments:**

1. Mr. Tim Johnson of the Parking and Traffic Department reports that the cost to convert the meters is estimated to be \$626,192 (\$241,323 for labor plus \$384,869 for materials). These costs will be paid for by Off-Street Parking Funds. The Department has included the entire \$626,192 in the 1992-93 Mayor's recommended budget.

2. Parking Meter revenue included in the Mayor's recommended 1992-93 budget amounts to \$12.3 million, an increase of \$2.9 million over the 1991-92 revenue of \$9.4 million. The amount included in the Mayor's recommended 1992-93 budget for the transfer to the Off-street Parking Fund is \$4.3 million, leaving a transfer to the General Fund of \$8.0 million for 1992-93.

Therefore, File 124-92-3, when it is considered by the Finance Committee, will need to be amended to state that all monies in excess of \$8.0 million (instead of the stated \$6.5 million) shall be credited to the Off-Street Parking Fund. The City Attorney will prepare the appropriate amendment for submission to the Finance Committee.

Item 5 - File 97-92-37

**Item:** Ordinance amending Chapter 2, Article VIII, San Francisco Administrative Code (Temporary Use or Occupancy of Public Streets), by amending section 2.70-6 thereof, to increase the application fee for temporary use of streets for street fairs from \$40 to \$80 dollars.

**Description:** Chapter 2, Article VIII of the San Francisco Administrative Code outlines procedures for the closure of streets for public events sponsored by private groups or community organizations.

The proposed ordinance would raise the fee for filing an Application for Temporary Use of Street for Street Fair from \$40 to \$80. The application must be filed no later than 90 days prior to the proposed date of the event.

There are two types of fees which must be paid by community groups for street closures. One is the application fee (the subject of the proposed ordinance) which must accompany an Application for Temporary Use of Street for Street Fair. The second type of fee is the "Fee to be Charged for the Permit," which is determined according to a schedule of fees also contained in Article VIII of the Administrative Code. The proposed ordinance would not amend the permit fees, including rates of reimbursement for the services of City Departments, but would only amend the fee for filing the street closure application.

**Comments:**

1. Mr. Tim Johnson of the Department of Parking and Traffic (DPT) indicates that there have been 172 public events in 1991-92 for which street closure applications were filed. The revenue from these street closure applications, at \$40 per application, was \$6,880.
2. In contrast, Mr. Johnson indicates that DPT's actual costs for processing the applications, consisting primarily of personnel costs, is estimated to have been \$13,722 in 1991-92. Based on 172 events, the \$40 increase in the application fee to \$80 would generate \$13,760, and would offset the Department's actual costs to process street closure applications, according to Mr. Johnson. The increase in revenue resulting from the \$40 increase in the application fee would be \$6,880 per year.

3. As noted, if the application fee were raised from \$40 to \$80 and 172 applications are filed in 1992-93, revenues in 1992-93 would be \$13,760, or \$38 more than the Department's 1991-92 cost to process the applications, as reported by Mr. Johnson. The Budget Analyst notes that, with salary standardization for clerk positions at DPT of approximately 9.5 percent, the Department's processing costs would increase from \$13,722 in 1991-92 to approximately \$15,026 in 1992-93. However, the proposed increase in the application fee would generate \$13,760, or \$1,266 less than DPT's projected actual costs of \$15,026 in 1992-93.

4. Mr. Johnson indicates that the street closure application fee is paid for a variety of events, which are not limited to street fairs. Athletic events are included, as are block parties and many other small assemblies.

5. The Department of Parking and Traffic's proposed 1992-93 budget includes projected revenue in the amount of \$13,200 from the street closure application fee. The projected revenue for 1992-93 is based on the proposed application fee of \$80, rather than the existing fee of \$40.

6. According to the June 24, 1992 Finance Committee calendar, it is the intention of the Chair to continue consideration of this ordinance to July 1, 1992, after hearing public testimony.

**Recommendation:**

Approve the proposed ordinance in order to recover the Department's costs of providing these services. However, as noted above, the proposed ordinance should be continued to July 1, 1992.



Item 6 - File 123-92-2

**Department:** Department of Public Works (DPW)  
Bureau of Engineering

**Item:** Ordinance amending Part II, Chapter X, of the San Francisco Municipal Code (Public Works Code) by amending Sections 179, 184.52, 708.2 and 725.3 to increase the amounts of various fees provided for in those sections.

**Description:** The Department of Public Works (DPW) currently collects fees to cover the costs of processing various permits for encroachment of public sidewalks.

DPW proposes to increase those fees as shown below:

<u>Type of Permit</u>	<u>Existing Fee</u>	<u>Proposed Fee</u>	<u>Percentage Increase</u>
Tables and Chairs	\$360/year	\$1,200/year	233.3
Distribution of Free Sample Merchandise	\$80/occurrence	\$100/day	25.0
Sidewalk Reconstruction	\$12/100 sq. ft.	\$15/100 sq. ft.	25.0
Debris Boxes	\$10/box	\$20/box	100.0

1. The Department has provided the Budget Analyst with fee and revenue information for FY 1991-92 and FY 1992-93 on its Street Use Management Program, which includes fees and revenues for the subject four permits (Attachment). The Department reports that the Street Use Management Program estimates total expenditures of \$2,173,528 in FY 1991-92, of which approximately \$1,402,000 or 65 percent, is recovered through fees. The proposed fee increase would increase those fee revenues by approximately \$168,000 to \$1,570,000 in FY 1992-93, which is an increase of approximately 12 percent. Total projected expenditures for FY 1992-93 is \$2,295,513, such that the proposed fee increase which would total \$1,570,000 would result in a cost recovery of 68 percent of these costs.

2. Mr. Vit Troyan, Director of Public Services in the DPW, reports that the Department does not recover the full costs of its Street Use Management Program because the Program includes such general government functions as pavement management and inspection of roadway structures. Although, in general, the Budget Analyst recommends approval of fees to recover Department expenditures, given that the proposed fee increases range up to 233 percent, the Budget Analyst believes approval is a policy matter for the Board of Supervisors.

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3. The Mayor's FY 1992-93 budgeted revenues includes the proposed revenue enhancement of \$168,000.

**Recommendation:** The decision of whether to increase fees in the Street Use Management Program is a policy decision for the Board of Supervisors.

# PROPOSED MISCELLANEOUS FEE INCREASE FOR FISCAL YEAR 1992-93

Item Number	TYPE OF FEE	CURRENT FEE	TOTAL BUDGETED REVENUE FOR FY 91-92	PROPOSED FEE	TOTAL PROJECTED REVENUE FOR FY 92-93
52*4	Sidewalk Flower Market	\$400+	7,000	Same	7,000
722*	Curb Reconstruction	\$60/Dwy	35,000	Same	30,000
7227	Street Signs	1/10 of 1% Const. Cost	550,000	Same	400,000
7233	Misc. Service Charges Free Sample Merchandise Tables & Chairs	\$40 \$900	40,000	\$100 \$1200	86,000
724*	Covers, Dye	\$10	180,000	\$20	250,000
7242	Sidewalk Permit	\$12/100 Sq.Ft	90,000	\$15/100 Sq.Ft	112,000
7244	Street Sign Permit	15% of Revenue	500,000	Same	685,000
TOTAL REVENUE			1,402,000		1,570,000
TOTAL EXPENDITURE BUDGET			2,173,528		2,295,513
TOTAL GENERAL FUND			771,528		725,513



Item 7,8 and 9 - File 124-92-6, 124-92-7 and 192-92-4

**Department:** Department of Parking and Traffic (DPT)

**Item:** 124-92-6: Ordinance amending Article 9 of Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) by adding Section 170.1 relating to imposing an administrative fee for removing vehicles from City streets and highways.

124-92-7: Draft Ordinance amending Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) by adding, as Article 13A, Section 225 relating to establishment of a service authority for abatement of abandoned vehicles; Section 226 relating to imposing a service fee for the Abandoned Vehicle Trust Fund; and Section 228 relating to preparation of an Abandoned Vehicle Abatement Program and Plan; and by amending Article 14 in the following particulars: amending Sections 230, 231 and 245 to include highways as property from which abandoned vehicles may be removed; further amending Section 231 thereof to add a definition of "Director of Parking and Traffic"; and further amending Section 245 to allow monies received from the State's Abandoned Vehicle Trust Fund to be credited to the Abandoned Vehicle Abatement and Removal Fund of the City.

192-92-4: Resolution designating the Parking and Traffic Commission of the City and County of San Francisco as the Service Authority for the Abatement of Abandoned Vehicles and establishing a \$1.00 annual registration fee on all vehicles registered in San Francisco to be used only for the abatement, removal, and disposal of abandoned vehicles.

**Description:** The California Vehicle Code Section 9250.7 allows counties to establish service authorities to handle abandoned vehicles and impose a \$1.00 annual vehicle registration fee to reimburse the counties for costs to administer the program. Such fees are collected by the State Department of Motor Vehicles from vehicle registration fees and disbursed to the counties based on the number of registered vehicles in the county. To date, 20 counties have established service authorities and imposed the \$1.00 vehicle registration fee.

These three proposed pieces of legislation would establish: 1) the City's Parking and Traffic Commission as the Service Authority for Abandoned Vehicle Abatement, 2) the \$1.00 annual registration fee, and 3) the Abandoned Vehicle Abatement and Removal Fund to deposit the \$1.00 registration fees received from the State. The Abandoned Vehicle Abatement and Removal Fund would be used only for

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the abatement, removal, and disposal of abandoned vehicles. In addition, the proposed legislation would include highways as a place where abandoned vehicles could be removed by the City. Streets are included in the definition of highway.

**Comments:**

1. There are approximately 464,000 vehicles registered in the City and County of San Francisco. Thus, the proposed \$1.00 annual vehicle registration fee would generate an estimated \$464,000 annually. The Department of Motor Vehicles would collect an administrative fee of approximately one percent or \$4,640 annually from the amount collected. Thus, the City would collect approximately \$459,360 annually to administer the Abandoned Vehicle Abatement Program.

2. Currently, the Department of Parking and Traffic Enforcement Division manages the Vehicle Abatement and Removal Program which entails dispatching the tow trucks, writing citations, issuing warnings, and etc.

3. According to the Department of Parking and Traffic, the annual administrative costs associated with the abatement and removal of abandoned vehicles is \$424,759. These costs are currently being funded by the General Fund through the Department of Parking and Traffic's Enforcement Division. For FY 1992-93, such expenses are included in DPT's Enforcement Division's General Fund budget. The Department reports that if the proposed ordinances and resolution are approved by the Board of Supervisors, collection of the proposed \$1.00 vehicle registration fee would begin January of 1993, when the State permits counties to implement the fee. As such, in FY 1992-93, the City would collect an estimated \$230,000 that would be deposited into the Abandoned Vehicle Abatement and Removal Fund account and then transferred to the General Fund as a reimbursement. General Fund contributions would be reduced in FY 1992-93 by approximately \$230,000 and in FY 1993-94 by approximately \$424,759.

4. The Board of Supervisors would appropriate the funds from the Abandoned Vehicle Abatement and Removal Fund as a revenue in DPT's annual budget, beginning in FY 1993-94. In FY 1992-93, as described above, the Abandoned Vehicle Program will be funded with General Fund monies and reimbursed \$230,000 later in the year by the Abandoned Vehicle Abatement and Removal Fund.

5. File 124-92-7 is a draft Ordinance because, to date, the City Attorney has not approved the legislation as to form.

6. According to the June 24, 1992 Finance Committee calendar, it is the intention of the Chair to continue consideration of these items to July 1, 1992, after hearing public testimony.

**Recommendations:** The proposed ordinances and resolution are policy matters for the Board of Supervisors. However, as noted above, these items should be continued until July 1, 1992.



Item 10 - File 97-92-34

1. The proposed ordinance would amend the Administrative Code by amending Section 8.14 to authorize the Medical Examiner/Coroner to establish fees for certain services and to increase fees for copies of documents and certain services.

2. Section 8.14 of the Administrative Code outlines the Medical Examiner/Coroner's fee schedule for copies of documents and certain services. The proposed ordinance would amend Section 8.14 to increase fees for copies of documents and certain services as follows:

<u>Type of Document or Service</u>	<u>Fee Current</u>	<u>Proposed Fee</u>	<u>Increase</u>
Proof of Death for Insurance Purposes	\$2.00	\$5.00	\$3.00
Statement of Attending Physician at Death	2.00	5.00	3.00
Certified Copy of Verdict of Inquest	2.00	5.00	3.00
Certified Copy of Necropsy (gross examination of autopsy) Report	5.00	7.50	2.50
Certified Copy of Pathology Report	5.00	7.50	2.50
Certified Copy of Toxicological Report	5.00	7.50	2.50
Certified Copy of Coroner's Register Page	5.00	7.50	2.50
Search of Records	5.00	7.50	2.50
Disaster Bags for Decomposed, Accident or Infectious Disease Cases	15.00	15.00	0
Forensic Autopsy performed on non-Medical Examiner/Coroner's cases or Outside County	900.00	1,200.00	300.00
X-rays	8.00	50.00	42.00
Copies of X-rays	5.00	10.00	5.00
Re-cut Microscopic Slides	8.00	10.00	2.00
Outside Use of Facilities for Identification of Remains	25.00	30.00	5.00
Storage of Remains for Funeral Directors for Other than Medical Examiner/ Coroner's Cases, per Day	5.00	25.00	20.00
Removal and Storage of Remains from Rest Homes or Other Agencies that have no Facilities for Cold Storage	45.00	100.00	55.00
Autopsy Reports to Hospitals and Attending Physicians	2.00	5.00	3.00
Certified Copy of Letter Confirming Death Pending Completion of Autopsy	2.00	5.00	3.00
Forensic Alcohol Report	55.00	65.00	10.00
Blood Screen for Drugs, I	125.00	0	(125.00)
Blood Screen for Drugs, II	150.00	0	(150.00)
Blood Quantification for Drugs	0	250.00	250.00*
Urine Testing for Drugs	125.00	250.00	125.00
Gastric Screen	125.00	150.00	25.00
Tissue Screen	150.00	175.00	25.00

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<u>Type of Document or Service</u>	<u>Fee Current</u>	<u>Proposed Fee</u>	<u>Increase</u>
Pre-trial Conference at Medical Examiner/ Coroner's Office	\$75.00	\$100.00	\$25.00
Pre-trial Conference at County of Request	90.00	250.00	160.00
Deposition at Medical Examiner/Coroner's Office	100.00	150.00	50.00
Court Testimony, Criminal Case, Toxicologist	110.00	200.00	90.00
Deposition Outside San Francisco County	150.00	200.00	50.00
Court Testimony, Criminal Case, Forensic Pathologist	200.00	250.00	50.00

\*The Blood Quantification for Drugs fee is being substituted for the Blood Screen for Drugs, I and II fees.

3. Additionally, Section 8.14 would be amended to add a new fee for services as follows:

	<u>Proposed Fee</u>
1) Removal and Storage of Body at Medical Examiner/ Coroner's Office (Government Code 27422)	\$100.00

4. In relationship to the above noted new fee, Section 8.14 would also be amended to add new language which provides that pursuant to Section 27472 of the Government Code, whenever the Medical Examiner/Coroner takes custody of a dead body, the Medical Examiner/Coroner may charge the person entitled to control the remains (as specified in Section 7100 of the Health Code), the actual expense incurred in removing the body from the place of death and keeping the body until its release to the person responsible for its interment. The charge for such services would be in an amount not to exceed \$100, and would not include expenses of keeping the body during the time necessary for the Medical Examiner/Coroner to perform his or her duties in connection with it. If the charge is not paid initially, it may be considered a part of the funeral expenses and paid as a preferred charge against the estate of the decedent. All cases brought into the Medical Examiner/Coroner's Office would be charged for these services, with the exception of the following: (1) decedents under 14 years of age, (2) homicides, (3) in custody or policy involved cases, (4) indigents (County disposition), (5) cases in which private charitable funds available to pay funeral costs would thereby be reduced so as to preclude payment and (6) any cases specifically exempted at the discretion of the Medical Examiner/Coroner or his designee.

5. Finally, Section 8.14 would be amended to stipulate that "All fees received for documents and services mentioned in this Section shall be deposited with the Treasurer and shall be used to defray the costs incurred by the Medical Examiner/Coroner in issuing such documents or providing such services", instead of "shall be deposited with the Treasurer and recorded as revenue for the Medical Examiner/Coroner's Office." This amendment corrects the legislation to bring it into compliance with Government Code 54985-54987. The amended language reflects the Medical Examiner/Coroner's use of the revenues generated by these fees, to directly offset costs to provide these services.

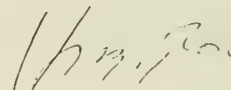
### Comments

1. The Medical Examiner/Coroner's estimated revenue for 1991-92 is approximately \$25,000. The Department projects that the proposed fee schedule changes will generate an additional \$100,000 in revenue annually for a total of approximately \$125,000 annually. This increased revenue amount is included in the Mayor's recommended 1992-93 budget. The Department reports that the annual costs to issue the documents and provide the services noted above, is approximately \$125,000.

2. According to the June 24, 1992 Finance Committee calendar, it is the intention of the Chair to continue consideration of this item to July 1, 1992, after hearing public testimony.

### Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. However, as noted above, this item should be continued until July 1, 1992.



Harvey M. Rose

cc: Supervisor Gonzalez	Chief Administrative Officer
Supervisor Migden	Controller
Supervisor Hallinan	Kent Sims
President Shelley	Jean Mariani
Supervisor Achtenberg	Barbara Kolesar
Supervisor Alioto	Ted Lakey
Supervisor Britt	
Supervisor Conroy	
Supervisor Hsieh	
Supervisor Kennedy	
Supervisor Maher	
Clerk of the Board	





CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

June 23, 1992

DEPOSITED BY 11601  
DOCUMENTS DEPT.

JUN 24 1992

To: Finance Committee

From: Budget Analyst *Recommendations*

SAN FRANCISCO  
PUBLIC LIBRARY

Subject: Overtime Pay; Compensatory Time Off in Lieu of Overtime Pay

In response to your request, we have attached summary information on overtime to this report. The pages attached show the original 1991-92 budget amounts for General Fund and General Fund supported departments in the left column and the Mayor's recommended standardized amounts in the extreme right column. Additional schedules are attached for holiday pay (Miscellaneous employees and Uniform Police and Fire Department personnel) and Extended Work Week (EWW overtime) for uniform personnel. Holiday and EWW pay are granted at overtime rates.

The amounts shown for the Police Department - Overtime Permanent distort comparisons of General Fund amounts in the Mayor's recommended budget since Uniform and Miscellaneous overtime are combined in the 1991-92 budget columns while the 1992-93 budget columns only show Miscellaneous overtime for the Police Department.

Total overtime for General Fund departments, not including the Police Department, are summarized below.

Total Overtime - General Fund Departments Except Police

	<u>1991-92</u>		<u>1992-93</u>	Increase (Decrease)	
	Original		Mayor's	Over 1991-92	
	Budget	Revised	Recommended	Original	Revised
General Fund Departments	\$2,066,893	\$2,581,022	\$2,498,804	\$431,911	(\$82,218)
General Fund Supported Departments					
Municipal Railway	1,942,298	1,942,298	2,067,330	125,032	125,032
SF General Hospital	1,849,869	1,849,869	2,058,934	209,065	209,065
Laguna Honda Hospital	<u>279,018</u>	<u>279,018</u>	<u>305,225</u>	<u>26,207</u>	<u>26,207</u>
Total General Fund and General Fund Supported Departments	\$6,138,078	\$6,652,207	\$6,930,293	\$792,215	\$278,086

Included in the comparisons above are substantial increases for the Sheriff's Department. The Sheriff's overtime budget increased \$336,986 from the 1991-92 original to the 1992-93 original. The increase in the revised 1991-92 amounts over the original 1991-92 amounts results from underbudgeting or overspending for overtime pay.

Because of the continued underbudgeting of Police Overtime, we have reconciled 1991-92 budgeted amounts, 1991-92 actual spending and 1992-93 budgeted amounts for overtime, holiday pay and EWW. This reconciliation is provided below.

Police Overtime, Holiday Pay and EWW

1991-92 Original Budget (General Fund)

Overtime	\$3,455,748
Holiday Pay	1,952,698
EWW	<u>1,030,316</u>
Total	\$6,438,762

1991-92 Projected Actual Spending

Overtime	\$6,855,748
Holiday Pay	2,292,698
EWW	<u>2,470,316</u>
Total	\$11,618,762

1992-93 Budget

Overtime	\$ 5,122,216
Holiday Pay	2,108,668
EWW	<u>1,365,000</u>
Total	\$-8,595,884

Deficiency of 1992-93 budgeted to 1991-92 actual:	\$3,022,878
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The comparisons shown above illustrate the basis for our estimated underbudgeting of approximately \$3.0 million for Police overtime, holiday pay and EWW. This deficiency compared to 1991-92 spending would grow to approximately \$3.6 million when the effects of salary standardization for Police Department personnel are added.

### Use of Compensatory Time Off in Lieu of Overtime Pay

According to the Administrative Provisions of the 1992-93 Salary Standardization Ordinance (SSO) Section V.B:

Employees occupying positions determined by the Civil Service Commission as being exempt from the Fair Labor Standards Act and designated by a "Z", shall not be paid for overtime worked but may be granted compensatory time off at the rate of one-and-one-half times for time worked in excess of normal work schedules.

Those employees subject to the provisions of the Fair Labor Standards Act who are required or suffered to work overtime shall be paid in salary unless the employee and the Appointing Officer mutually agree that in lieu of paid overtime, the employee shall be compensated with compensatory time off. Compensatory time shall be earned at the rate of time and one half. Employees occupying non "Z" designated positions shall not accumulate a balance of compensatory time earned in excess of 240 hours calculated at the rate of time and one half. Those employees occupying positions designated "L" shall not accumulate in excess of 480 hours calculated at time and one half.

"Z" designated employees are also permitted to receive paid overtime instead of compensatory time off, despite the fact that they are not subject to the provisions of the Fair Labor Standards Act, at the request of the appointing officer and on the approval of the Mayor's Office and the Controller.

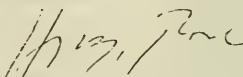
Based on the existing provisions of the Salary Standardization ordinance, City Departments are limited in their ability to compensate non "Z" employees who work overtime with compensatory time off because such employees can accumulate compensatory time only up to a total of 240 hours (six weeks) unless they occupy "L" positions and can thus accumulate up to 480 hours (twelve weeks). Furthermore, the alternative of compensating overtime work through the granting of compensatory time off can only be done at the mutual agreement of the appointing officer and the employee.

In order to maximize savings through the compensation of non-"Z" employees with compensatory time off instead of overtime pay, all appointing officers and employees could be urged to do so. Under the terms of the existing SSO, appointing officers and employees cannot be compelled to do so.

Further savings could be achieved should non-"Z" employees be allowed to accumulate compensatory time off hours in excess of 240. In order to do so, the SSO would have to be amended. Such an amendment would probably be subject to meet-and-confer requirements with the City's employee bargaining units.

**Placing a Reserve on Overtime Expenditures to Allow Further Review by the Finance Committee**

The Finance Committee is considering an option of reserving three-fourths of all overtime expenditures in order to review, on a quarterly basis, Departmental spending for overtime pay. The Controller notes however, that a review of first quarter spending, following September 30, 1992, would have complete information for only part of the first quarter as expenditure data available to the Controller lags the calendar by as much as two months. The Controller would be unable to report on first quarter actual expenditures therefore until approximately November, 1992. The Controller therefore recommends that, if the Finance Committee wishes to conduct such a review of overtime expenditures, that one-half of overtime expenditures be reserved and that the Controller could report on actual spending for the first quarter of 1992-93 prior to completion of the first six months of the fiscal year.

  
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey



RPT DATE: 27-MAY-1992 TIME: 3:32AM

GROSS EXPENDITURE REPORT BY SUBOBJECT, FUND AND DEPARTMENT

PHASES C AND D

CHARACTER 03 HOLIDAY & OVERTIME  
SUBJECT 010 OVERTIME  
SUBOBJECT 0100 OVERTIME-PERMANENT

\*\*\*\*\* F/Y 1991-92 \*\*\*\*\*

\*\*\*\*\* DEPT HIGH REQUEST \*\*\*\*\*

\*\*\*\*\* F/Y 1992-93 \*\*\*\*\*

DEPT NO.	TITLE	ORIGINAL BUDGET	BUDGET REVISIONS	DEPT HIGH REQUEST UNSTOZO	STOZO	MAYOR S RECOMMENDED UNSTOZO	STOZO	DOANO APPROVED UNSTOZO	STOZO
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FO GROUP/FUND 01001 GENERAL FUND

01 BOARD OF SU	25,989	0	25,989	27,976	25,989	27,976	0	0	0
06 SHERIFF	267,587	0	707,950	705,257	563,325	624,572	0	0	0
08 TREASURER-T	7,776	0	7,776	8,477	8,477	8,477	0	0	0
09 CONTROLLER	160,802	0	157,525	171,170	157,515	171,159	0	0	0
10 SUPERIOR CO	3,400	0	28,909	31,196	28,909	31,196	0	0	0
11 MUNICIPAL C	51,329	0	61,485	61,485	61,485	61,485	0	0	0
12 JUVENILE CO	295,737	65,000	310,961	334,497	295,737	318,321	0	0	0
13 ADULT PROBA	50,000	0	42,000	47,130	42,000	42,000	0	0	0
15 COUNTY CLER	25,509	0	0	0	0	0	0	0	0
29 CITY PLANNI	21,278	0	2,400	2,620	1,800	1,964	0	0	0
30 CIVIL SERV	770	0	770	844	770	844	0	0	0
31 FIRE DEPART	32,220	0	44,220	44,220	44,220	44,220	0	0	0
36 PARKING & T	100,000	125,500	119,962	135,284	119,962	135,284	0	0	0
37 PERMIT APPE	4,367	0	4,367	4,777	4,367	4,773	0	0	0
38 POLICE COMM	3,455,768	1,200,000	246,589	271,367	151,689	178,583	0	0	0
41 PUBLIC LIBR	13,393	0	13,393	15,002	13,393	15,002	0	0	0
42 RECREATION	244,675	0	201,273	303,471	201,458	260,246	0	0	0
44 RETIREMENT	0	25,000	25,000	27,646	25,000	27,646	0	0	0
45 SOCIAL SERV	115,756	273,629	115,756	115,756	115,756	115,756	0	0	0
60 ACADEMY OF	10,496	0	10,496	11,336	10,496	11,336	0	0	0
61 FINE ARTS M	25,618	0	30,494	33,871	30,494	33,871	0	0	0
72 COUNTY AGRI	1,900	0	1,900	2,133	1,900	2,133	0	0	0
73 MEDICAL EXA	29,581	0	29,363	33,001	29,363	33,001	0	0	0
75 ELECTRICITY	55,921	0	74,959	80,951	74,959	80,951	0	0	0
76 ANIMAL CARE	29,361	0	37,163	39,732	35,163	37,595	0	0	0
78 RECORDER	1,050	0	1,050	1,212	1,050	1,212	0	0	0
80 REGISTRAR	52,361	25,000	26,052	28,503	26,052	28,503	0	0	0
83 PUBLIC HEAL	104,825	0	140,976	156,441	140,976	155,770	0	0	0
87 COMMUNITY M	114,804	0	124,509	135,107	124,509	135,107	0	0	0
90 PUBLIC WORK	81,205	0	80,135	86,243	80,135	86,243	0	0	0
91 PURCHASER	120,956	0	2,000	2,158	2,000	2,158	0	0	0
TOT: C/FD 01001	5,522,661	1,714,129	2,755,429	2,990,863	2,457,624	2,677,387	0	0	0

FO GROUP/FUND 02002 ANIMAL CONTROL &amp; WELFARE

76 ANIMAL CARE	0	-129	0	0	0	0	0	0	0
TOT: G/FO 02002	0	-129	0	0	0	0	0	0	0

FO GROUP/FUND 02071 OFF STREET PARKING



RUN DATE: 27-MAY-1992 TIME: 3:32AM

GROSS EXPENDITURE REPORT BY SUBOBJECT, FUNO AND DEPARTMENT  
PHASES C AND D

CHARACTER 03 HOLIDAY & OVERTIME  
OBJECT 010 OVERTIME  
SUBJECT 0100 OVERTIME-PERMANENT

DEPT NO.	TITLE	***** F/Y 1991-92 *****		***** F/Y 1992-93 *****			
		ORIGINAL BUDGET	REVISIONS	DEPT HIGH REQUEST	MAYOR'S RECOMMENDED	BOARD APPROVED	STOZO
27	AIRPORT	0	2,000	0	0	0	0
TOT:FG/FD	30098	0	2,000	0	0	0	0
FO GROUP/FUNO	31001 MUNICIPAL RAILWAY OPERATING						
35	MUNICIPAL R	1,942,290	0	1,913,593	2,067,330	1,913,593	2,067,330
TOT:FG/FD	31001	1,942,298	0	1,913,593	2,067,330	1,913,593	2,067,330
FO GROUP/FUNO	32001 WATER DEPT OPERATING FUNO						
47	WATER DEPAR	1,066,217	0	1,066,682	1,194,528	1,066,682	1,194,528
TOT:FG/FD	32001	1,066,217	0	1,066,682	1,194,528	1,066,682	1,194,528
FD GROUP/FUNO	33001 HETCH HETCHY OPERATING FUNO						
32	HETCH HETCH	267,006	0	267,006	284,217	267,006	284,217
TOT:FG/FD	33001	267,006	0	267,006	284,217	267,006	284,217
FO GROUP/FUNO	34001 SF HARBOR OPERATING FUNO						
31	FIRE DEPART	0	-745	0	0	0	0
39	PORT	166,827	-1,504	303,337	408,275	303,337	408,275
TOT:FG/FD	34001	166,827	-2,329	303,337	408,275	303,337	408,275
FO GROUP/FUNO	35001 CLEAN WATER OPERATING FUNO						
90	PUBLIC WORK	696,321	0	745,056	807,971	1,044,558	1,131,906
TOT:FG/FD	35001	696,321	0	745,056	807,971	1,044,558	1,131,906
FO GROUP/FUNO	36001 HOSPITAL OPERATING FUNO						
86	SAN FRANCIS	1,849,869	0	1,861,869	2,058,934	1,861,869	2,058,934
TOT:FG/FD	36001	1,849,869	0	1,861,869	2,058,934	1,861,869	2,058,934
FD GROUP/FUNO	37001 LAGUNA HONDA OPERATING FUNO						

RUN DATE:27-MAY-1992 TIME: 3:22AM

## GROSS EXPENDITURE REPORT BY SUBJECT, FUND AND DEPARTMENT

PIAGES C AND O

CHARACTER 03 HOLIDAY & OVERTIME  
OBJECT 010 OVERTIME  
SUBJECT 0100 OVERTIME-PERMANENT

***** F/Y 1991-92 *****				***** F/Y 1992-93 *****			
DEPT NO.	TITLE	ORIGINAL BUDGET	BUDGET REVISIONS	DEPT HIGH REQUEST UNSTOZD	STOZD	MAYOR S RECOMMENDED UNSTOZD	FUND APPROVED STOZD
85	LAGUNA HONO	279,018	0	279,018	305,225	279,018	305,225
TOT:FG/FD	37001	279,018	0	279,018	305,225	279,018	305,225
TOT:SOBJ	0100	17,411,050	881,809	15,237,111	16,626,843	15,269,882	16,593,178

RUN DATE: 27-MAY-1992 TIME: 3:32AM

GROSS EXPENDITURE REPORT BY SUBOBJECT, FUND AND DEPARTMENT  
PHASES C AND DCHARACTER 03 HOLIDAY & OVERTIME  
OBJECT 010 OVERTIME  
SUBOBJECT 0101 OVERTIME-UNIFORM

***** F/Y 1991-92 *****		***** F/Y 1992-93 *****					
DEPT NO.	TITLE ORIGINAL BUDGET REVISED	DEPT HIGH REQUEST UNSTOZD STOZO	MAYOR S RECOMMENDED UNSTOZD STOZO	BOARD APPROVED UNSTOZD STOZO			
F0 GROUP/FUND 01001 GENERAL FUND							
38	POLICE COMM 0	6,868,193	7,210,850	4,708,825	4,943,633	0	0
TOT:FG/F0 01001 0		6,868,193	7,210,850	4,708,825	4,943,633	0	0
FD GROUP/FUND 02005 NARCOTICS FORFEITURE & ASSET SEIZU							
38	POLICE COMM 0	333,000	349,601	333,000	349,601	0	0
TOT:FG/FD 02005 0		333,000	349,601	333,000	349,601	0	0
F0 GROUP/FUND 09099 WORK ORDER							
38	POLICE COMM 0	126,561	132,872	126,561	132,872	0	0
TOT:FG/FD 09099 0		126,561	132,872	126,561	132,872	0	0
TOT:SOBJ 0101 0		7,327,754	7,693,323	5,168,386	5,426,106	0	0

RUN DATE:27-MAY-1992 TIME: 3:32AM

GROSS EXPENDITURE REPORT BY SUBOBJECT, FUND AND DEPARTMENT

PHASES C AND D

CHARACTER 03 HOLIDAY & OVERTIME  
OBJECT 012 HOLIDAY PAY  
SUBJECT 0120 HOLIDAY PAY-MISCELLANEOUS

DEPT NO.	TITLE	***** F/Y 1991-92 *****			***** F/Y 1992-93 *****		
		ORIGINAL BUDGET	BUDGET REVISIONS	DEPT HIGH REQUEST UNSTOZD	MAYOR S RECOMMENDED UNSTOZD	STOZD	STOZD

F0 GROUP/FUND 01001 GENERAL FUND

06 SHERIFF	376,242	0	401,982	446,063	444,930	493,780	0
12 JUVENILE CO	180,642	0	180,642	193,784	180,642	193,784	0
31 FIRE DEPART	4,036,019	0	5,139,193	5,139,193	4,534,394	4,534,394	0
36 PARKING & T	0	0	106,492	120,449	106,492	120,449	0
38 POLICE COMM	1,952,698	0	170,946	108,149	170,946	108,149	0
41 PUBLIC LIBR	1,951	0	1,951	2,097	1,951	2,097	0
42 RECREATION	179,399	0	156,418	169,252	175,273	189,938	0
45 SOCIAL SERV	0	0	3,125	3,125	3,125	3,125	0
60 ACADEMY OF	9,509	0	9,509	10,270	9,509	10,270	0
61 FINE ARTS M	56,186	0	54,065	59,910	54,065	59,910	0
72 COUNTY AGRI	1,899	0	1,899	2,005	1,899	2,005	0
74 MEDICAL EXA	25,086	0	24,113	27,151	24,113	27,151	0
75 ELECTRICITY	17,578	0	0	0	0	0	0
76 ANIMAL CARE	25,503	0	29,548	30,520	25,548	27,313	0
83 PUBLIC HEAL	26,324	0	26,324	26,324	26,324	26,324	0
87 COMMUNITY M	151,803	0	164,094	169,465	164,094	169,465	0
91 PURCHASER	52,143	0	0	0	0	0	0
TOT:FG/F0 01001	7,093,792	0	6,469,661	6,503,157	5,923,235	6,048,154	0

FD GROUP/FUND 02221 OPEN SPACE AND PARK RENOVATION

42 RECREATION	8,362	0	8,362	9,157	8,362	9,157	0
TOT:FG/F0 02221	8,362	0	8,362	9,157	8,362	9,157	0

FD GROUP/FUND 02222 CANDLESTICK PARK

42 RECREATION	8,810	-1,702	8,810	9,703	8,810	9,703	0
TOT:FG/F0 02222	8,810	-1,702	8,810	9,703	8,810	9,703	0

F0 GROUP/FUND 02224 MARINA YACHT HARBOR

42 RECREATION	10,325	0	10,325	11,154	10,325	11,154	0
TOT:FG/F0 02224	10,325	0	10,325	11,154	10,325	11,154	0

FD GROUP/FUND 02303 MAR MEMORIAL SPECIAL FUND

46 MAR MEMORIA	46,307	0	44,943	49,247	44,943	49,247	0
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RUN DATE:27-MAY-1992 TIME: 3:32AM

GROSS EXPENDITURE REPORT BY SUBJECT, FUND AND DEPARTMENT  
PHASES C AND D

CHARACTER 03 HOLIDAY & OVERTIME  
 OBJECT 012 HOLIDAY PAY  
 SUBJECT 0120 HOLIDAY PAY-MISCELLANEOUS

\*\*\*\*\* F/Y 1991-92 \*\*\*\*\*

\*\*\*\*\* F/Y 1992-93 \*\*\*\*\*

DEPT NO.	TITLE	ORIGINAL BUDGET	BUDGET REVISIONS	DEPT HIGH REQUEST UNSTOZD	STOZD	MAYOR S RECOMMENDED UNSTOZD	STOZD	BOARD APPROVED UNSTOZD	STOZD
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TOT:FG/FD 02203	46,307	0	44,943	49,247	44,943	49,247	0	0	0
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FD GROUP/FUND 02403 ADMISSIONS FUND

61 FINE ARTS M	1,036	0	1,036	1,138	1,036	1,138	0	0	0
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TOT:FG/FD 02403	1,036	0	1,036	1,138	1,036	1,138	0	0	0
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FD GROUP/FUND 08251 CENTRAL SHOPS

91 PURCHASER	13,722	0	13,722	14,923	13,722	14,923	0	0	0
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TOT:FG/FD 08251	13,722	0	13,722	14,923	13,722	14,923	0	0	0
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FD GROUP/FUND 09051 PUBLIC UTILITIES COMMISSION

40 PUBLIC UTIL	42,435	0	42,435	45,382	42,435	45,382	0	0	0
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TOT:FG/FD 09051	42,435	0	42,435	45,382	42,435	45,382	0	0	0
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FD GROUP/FUND 09099 WORK ORDER

83 PUBLIC HEAL	26,192	0	26,192	26,191	26,192	26,191	0	0	0
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TOT:FG/FD 09099	26,192	0	26,192	26,191	26,192	26,191	0	0	0
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FD GROUP/FUND 09101 LIGHT HEAT &amp; POWER

49 PUC LIGHT H	1,575	0	1,575	1,729	1,575	1,729	0	0	0
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TOT:FG/FD 09101	1,575	0	1,575	1,729	1,575	1,729	0	0	0
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FD GROUP/FUND 50001 AIRPORT OPERATING FUND

27 AIRPORT	661,801	0	661,801	713,031	661,801	713,031	0	0	0
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37 FIRE DEPART	234,706	0	234,709	237,909	234,709	237,909	0	0	0
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TOT:FG/FD 50001	896,507	0	899,710	950,940	899,710	950,940	0	0	0
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FD GROUP/FUND 31001 MUNICIPAL RAILWAY OPERATING

35 MUNICIPAL R	1,368,444	0	1,414,019	1,518,152	1,414,019	1,518,152	0	0	0
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RUN DATE:27-MAY-1992 TIME: 3:32AM

GROSS EXPENDITURE REPORT BY SUBOBJECT, FUND AND DEPARTMENT  
PHASES C AND DCHARACTER 03 HOLIDAY & OVERTIME  
OBJECT 012 HOLIDAY PAY  
SUBOBJECT 0121 HOLIDAY PAY-UNIFORM

\*\*\*\*\* F/Y 1991-92 \*\*\*\*\*

\*\*\*\*\* F/Y 1992-93 \*\*\*\*\*

DEPT NO.	TITLE	ORIGINAL BUDGET	REVISIONS	DEPT HIGH REQUEST UNSTOZD	MAYOR S RECOMMENDED UNSTOZD	BOARD APPROVED STOZD
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FD GROUP/FUND 01001 GENERAL FUND

38 POLICE COMM		0		2,143,749	2,250,640	1,821,054	1,920,519	0	0
TOT:FG/FD 01001		0		2,143,749	2,250,640	1,821,054	1,920,519	0	0
TOT:SOBJ 0121		0		2,143,749	2,250,640	1,821,054	1,920,519	0	0
TOT:OBJ 012		13,913,774	5,702	14,677,534	15,375,453	13,616,443	16,513,929	3	0



RUN DATE: 27-MAY-1992 TIME: 3:32AM

GIOSG EXPENDITURE REPORT BY SUBOBJECT, FUND AND DEPARTMENT

PHACIES C AND D

CHARACTER 03 HOLIDAY & OVERTIME  
OBJECT 013 EXT WORK WEEK  
SUBOBJECT 0130 EXT WORK WK

\*\*\*\*\* F/Y 1991-92 \*\*\*\*\*

\*\*\*\*\* F/Y 1992-93 \*\*\*\*\*

DEPT NO.	TITLE	ORIGINAL BUDGET	BUDGET REVISIONS	DEPT HIGH REQUEST	STOZD	MAYOR S RECOMMENDED	STOZD	BOA:PO APPROVED	STOZD
-----									
FO GROUP/FUND 01001 GENERAL FUND									
31	FIRE DEPART	3,587,309	0	3,674,109	3,674,109	2,582,733	2,582,733	0	0
36	POLICE COMM	1,030,316	0	1,730,316	1,816,575	1,300,000	1,365,000	0	0
TOT:FG/FD	01001	4,617,625	0	5,404,425	5,490,684	3,882,733	3,947,733	0	0
FO GROUP/FUND 02303 MAR MEMORIAL SPECIAL FUND									
46	MAR MEMORIA	18,479	0	23,096	24,018	23,096	24,018	0	0
TOT:FG/FD	02303	18,479	0	23,096	24,018	23,096	24,018	0	0
FO GROUP/FUND 30001 AIRPORT OPERATING FUND									
31	FIRE DEPART	936,000	0	936,000	936,000	936,000	936,000	0	0
TOT:FG/FD	30001	936,000	0	936,000	936,000	936,000	936,000	0	0
FO GROUP/FUND 32001 WATER DEPT OPERATING FUND									
47	WATER DEPAR	144,678	0	144,678	163,093	144,678	163,093	0	0
TOT:FG/FD	32001	144,678	0	144,678	163,093	144,678	163,093	0	0
FO GROUP/FUND 33001 HETCH HETCHY OPERATING FUND									
32	HETCH HETCH	54,903	0	54,903	57,060	54,903	57,060	0	0
TOT:FG/FD	33001	54,903	0	54,903	57,060	54,903	57,060	0	0
FO GROUP/FUND 34001 SF HARBOR OPERATING FUND									
31	FIRE DEPART	71,906	17,602	71,906	71,906	71,906	71,906	0	0
TOT:FG/FD	34001	71,906	17,602	71,906	71,906	71,906	71,906	0	0
FO GROUP/FUND 0130									
TOT:SOBJ	0130	5,843,591	17,602	6,635,008	6,742,761	5,113,316	5,199,810	0	0
TOT:OBJ	013	5,843,591	17,602	6,635,008	6,742,761	5,113,316	5,199,810	0	0
TOT:CH	03	37,168,415	905,193	43,948,740	46,461,803	39,389,360	41,762,645	0	0

1.25  
3/92 a  
CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

June 23, 1992

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TO: Finance Committee

FROM: Budget Analyst *Recommendations*

SUBJECT: Analysis of Employees Retirement System (ERS) Travel Data  
Pertaining to the June 2, 1992 San Francisco Chronicle Article  
Regarding ERS Travel Expenditures

Pursuant to your request, we have completed the following subject analysis based on data provided by the ERS and based on various independent verification of such data (this request to the Budget Analyst was made as a result of the General Manager of the ERS advising the Finance Committee that the Chronicle article was largely erroneous).

**The Budget Analyst has found the S. F. Chronicle Article to be substantially correct as follows:**

**Chronicle Statement:** "Top officials of SF employee pension fund have spent nearly \$110,000 in the past three years for convention travel."

**Analysis:** Travel expenditures for FY 1989-90, FY 1990-91 and FY 1991-92 total \$113,958.

**Chronicle Statement:** "Retirement Board Trustees and key staff members spent more than \$37,000 to take 35 trips in 1991."

**Analysis:** ERS reports 40 out-of-Bay Area trips costing \$33,024 during FY 1991-92 and 42 out-of-Bay Area trips costing \$38,855 in FY 1990-91. Two year totals are 82 trips costing \$71,879.

**Chronicle Statement:** "Board President Mr. Peter Ashe took six trips costing \$7,636."

**Analysis:** ERS reports that Mr. Ashe took 9 out-of-Bay Area trips costing \$5,120 during FY 1991-92 and 9 out-of-Bay Area trips costing \$6,061 during FY 1990-91. Two year totals for Mr. Ashe are 18 out-of-Bay Area costing \$11,181. Mr. Ashe took 6 trips to Washington, DC. of which 4 trips cost \$5,222 and 2 trips cost \$0; two trips to New York City, of which one cost \$2,109 and the other trip cost \$0; two trips to Pinehurst, North Carolina costing \$1,156; one trip to Big Fork, Montana costing \$746; and seven other trips including Chicago, Illinois (\$1,109), San Diego (\$397), Palm Springs (\$229) and trips to Orlando, Florida, Boston, Massachusetts, Las Vegas, Nevada and Napa, California without cost. The trips which were reported to have no costs were paid for by the particular conference sponsor.

**Chronicle Statement:** "Board Member Bonnie Gibson spent \$2,525 on a trip to Moscow, Russia featuring dinner at a castle and tickets to the Bolshoi Opera or Moscow Circus."

**Analysis:** Board Member Bonnie Gibson traveled to Moscow between October 4 and 12, 1991 and spent \$2,525. Ms. Gibson also took trips to San Diego and Palm Springs costing \$905 during the last two years. The three trips cost a total of \$3,430.

**Chronicle Statement:** "In addition to a trip to Moscow, Russia, other out of country trips included Budapest, Hungary and Killarney, Ireland."

**Analysis:** During the past two years, Mr. Maurice Mann, an ERS Board Member, traveled to both Budapest and Vienna costing \$2,920; Mr. Kenneth Shaffer, an ERS employee traveled to Tokyo and Hong Kong costing \$3,514 and Ms. Clare Murphy, General Manager, and Mr. Samuel Walker, an ERS Board Member, traveled to Killarney, Ireland costing \$2,683 (\$1,400 for Ms. Murphy and \$1,283 for Mr. Walker).

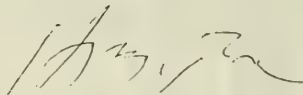
**Chronicle Statement:** "The fund frequently spends from \$225 to \$300 a night to lodge retirement officials in posh hotels...including New York's Pierre Hotel and the Bristol Hotel in Budapest."

**Analysis:** ERS employee Gary Hiatt's lodging at the Pierre Hotel in New York cost \$239.31 per night and Mr. Maurice Mann's lodging at the Hilton in Budapest, Hungary cost \$240 per night and at the Bristol in Vienna, Austria cost \$279 per night.

**Chronicle Statement:** "Among the domestic sites were such popular resorts as Lake George, New York, Aspen, Colorado and Bigfork, Montana."

**Analysis:** Ms. Murphy and Mr. Shaffer went to a conference in Lake George (Sagamore Island) New York between June 24 and 27, 1991 costing \$2,948. Mr. Gary Hiatt went to a conference in Aspen, Colorado between September 10 and 13, 1991 costing \$1,339. Mr. Peter Ashe went to a conference in Bigfork, Montana between May 29, 1991 and June 1, 1991 costing \$746.

A copy of the ERS 1991-92 Travel Statement expenses, by individual, is attached.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey

BOARD OF SUPERVISORS  
BUDGET ANALYST



EMPLOYEES' RETIREMENT SYSTEM  
TRAVEL EXPENSES  
FISCAL YEAR 1991-1992

NAME	PURPOSE	LOCATION	TRAVEL START	TRAVEL END	PROJECTED EXPENSE	ACTUAL EXPENSE
ALMEIDA, JOSEPH	CALAPRS STAFF DEV. TRAINING	OAKLAND	02/06/92	02/07/92		\$0.00
ALMEIDA TOTAL:						\$0.00
ASHE, PETER	CII EXECUTIVE MEETING	WASHINGTON, D.C.	09/09/91	09/11/91		\$1,205.50
	NAPO POLICE PENSION FUND CONF.	LAS VEGAS	10/08/91	10/10/91		\$0.00
	CII ANNUAL MEETING	NEW YORK	10/24/91	10/25/91		\$2,108.74
	INST. REAL ESTATE ED. BOARD	NAPA	01/27/92	01/28/92		\$0.00
	CALLAN 12TH CONFERENCE	SAN FRANCISCO	01/28/92	01/30/92		\$0.00
	METRIC APARTMENT SEMINAR	PALM SPRINGS	02/29/92	03/03/92		\$229.00
	CII ANNUAL MEETING	WASHINGTON, D.C.	04/09/92	04/10/92		\$1,020.80
	PRU. REAL ESTATE SEMINAR	PINEHURST, N.C.	05/19/92	05/22/92		\$555.62
	IBF INV. MGMT. CONF.	WASHINGTON, D.C.	06/15/92	06/16/92		\$0.00
	IIR PERF. MEASUREMENT	NEW YORK	06/24/92	06/25/92		\$0.00
ASHE TOTAL:						\$5,119.66
BENJAMIN, DAVID	CALAPRS	SAN DIEGO	07/12/91	07/12/91		\$118.00
BENJAMIN TOTAL:						\$118.00
COLEMAN, MARK	II PUBLIC FUNDS ROUNDTABLE	MARINA DEL REY	02/06/92	02/07/92		\$284.53
COLEMAN TOTAL						\$284.53
GIBSON, BONNIE	PENSION IN THE 90s VI	MOSCOW	10/04/91	10/12/91		\$2,525.00
	CALAPRS GEN. ASSEMBLY	SAN DIEGO	03/15/92	03/16/92		305.48
GIBSON TOTAL:						\$2,830.48
HAMILTON, CAROLYN	AIMR ANNUAL CONF.	SAN ANTONIO	05/03/92	05/06/92		\$1,555.07
HAMILTON TOTAL:						\$1,555.07
HERNANDEZ, RUDY	GFOA 86TH ANNUAL CONF	ORLANDO	06/21/92	06/24/92		\$1,137.00
HERNANDEZ TOTAL:						\$1,137.00
						\$0.00

EMPLOYEES' RETIREMENT SYSTEM  
TRAVEL EXPENSES  
FISCAL YEAR 1991-1992

NAME	PURPOSE	LOCATION	TRAVEL START	TRAVEL END	PROJECTED EXPENSE	ACTUAL EXPENSE
HATT, GARY	IFE REAL EST. CONF.	ASPEN	09/10/91	09/13/91		\$1,339.39
	VENTURE ECONOMICS	BOSTON	11/05/91	11/08/91		\$2,966.13
	MERIT ENERGY/DUE DILIGENCE	DALLAS	02/26/92	02/27/92		\$1,099.84
	CORE GROUP MTG.	DALLAS	05/04/92	05/08/92		\$987.92
HATT TOTAL:						\$6,373.28
COLM, CLAUDE	CALAPRS ATTY ROUNDTABLE	IRVINE	02/14/92	02/14/92		\$197.00
COLM TOTAL:						\$197.00
MAGUIRE, DAN	CALAPRS ATTY ROUNDTABLE	OAKLAND	06/05/92	06/05/92	?	
MAGUIRE TOTAL:						\$0.00
MONTGOMERY, JACK	FABOZZI FIXED INC. TUTOR. BARRA REG. F.I. WORKSHOP	NEW YORK BERKELEY	10/16/91 03/19/92	10/18/91 03/19/92		\$2,412.66 \$250.00 \$2,662.66
MONTGOMERY TOTAL:						
MURPHY, CLARE M.	CALAPRS ADMIN. ROUNDTABLE III PUBLIC FUNDS ROUNDTABLE	SAN FRANCISCO DALLAS	09/27/91 10/23/91	09/27/91 10/25/91		\$0.00 \$1,448.85 \$111.16
	CALAPRS ADMIN. ROUNDTABLE	SAN DIEGO	01/31/92	01/31/92		\$347.95
	CALAPRS GEN. ASSEMBLY	SAN DIEGO	03/15/92	03/16/92		\$1,039.19
	CORE GROUP MTG.	DALLAS	05/04/92	05/08/92		\$1,340.86
	NYU REAL EST. INST.	NEW YORK	05/18/92	05/20/92		
	CALAPRS ADMIN. ROUNDTABLE	NAPA	06/05/92	06/05/92	\$0.00	
	IFE MARKET 1992 SEMINAR	CARMEL	06/22/92	06/24/92	\$545.00 \$545.00	
MURPHY TOTAL:						\$4,288.01
MURPHY, KIERAN	CALAPRS BENEFITS MTG. CALAPRS MEETING	BURBANK SACRAMENTO	09/20/91 02/28/92	09/20/91 02/28/92		\$145.48 \$53.46



EMPLOYEES' RETIREMENT SYSTEM  
TRAVEL EXPENSES  
FISCAL YEAR 1991-1992

NAME	PURPOSE	LOCATION	TRAVEL START	TRAVEL END	PROJECTED EXPENSE	ACTUAL EXPENSE
K. MURPHY TOTAL:	CALAPRS BENEFITS ROUNDTABLE	BURBANK	06/19/92	06/19/92	?	\$188.94
NEWPORT, MARIA	IFEBP BENEFITS CONF.	BOSTON	07/08/91	07/10/91		\$2,128.07
NEWPORT TOTAL:	CALAPRS BENEFITS MTG.	BURBANK	09/20/91	09/20/91		\$141.80
						\$2,269.87
PARMELEE, ROBERT	CALAPRS ACCT./AUDITOR	OAKLAND	05/15/92	05/15/92		\$0.00
PARMELEE TOTAL:						\$0.00
RESENDEZ, ERIC	CALAPRS STAFF DEV. TRAINING	OAKLAND	02/06/92	02/07/92		\$0.00
RESENDEZ TOTAL:						\$0.00
SHAFFER, KENNETH	III ASSET ALLOCATION	CARMEL	07/17/91	07/17/91		\$127.20
	BRINSON GLOBAL PORTFOLIO SEM.	PHOENIX	03/04/92	03/07/92		\$210.00
	IRR INTERNAL INV. MGMT.	NEW YORK	06/08/92	06/09/92	\$2,365.00	
	IFE MARKET 1992 SEMINAR	CARMEL	06/22/92	06/24/92	\$545.00	
SHAFFER TOTAL:					\$2,910.00	\$337.20
WALKER, SAMUEL	IFEBP INV. INST.	SULPHUR SPRINGS, V	07/15/91	07/17/91		\$1,673.23
WALKER TOTAL:						\$1,673.23
WONG, MASON	CALAPRS/IFE PENS.FUND INV.	LOS ANGELES	08/12/91	08/14/91		\$10.94
	METRIC APARTMENT SEMINAR	PALM SPRINGS	02/29/92	03/03/92		\$513.00
WONG TOTAL:						\$523.94
WONG, TED	CALAPRS ACCT./AUDITOR	OAKLAND	05/15/92	05/15/92		\$0.00
WONG TOTAL:						\$0.00

EMPLOYEES' RETIREMENT SYSTEM  
TRAVEL EXPENSES  
FISCAL YEAR 1991-1992

NAME	PURPOSE	LOCATION	TRAVEL START	TRAVEL END	PROJECTED EXPENSE	ACTUAL EXPENSE
GRAND TOTAL:					\$4,592.00	\$28,431.87
TOTAL TRAVEL BUDGET:						\$55,000.00
REMAINING TRAVEL BALANCE (INCLUDING PROJECTED EXPENSES):						\$21,976.13



CITY AND COUNTY



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## BOARD OF SUPERVISORS

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June 29, 1992

To: Finance Committee

From: Budget Analyst *Recommendation*

Subject: Proposition A Position Exchanges and Restorations;  
City-wide Position Counts.

Schedule A, attached to this report provides a detailed listing, by Department, of "Proposition A" position exchanges and restorations including the net changes in expenditures accompanying the position transactions.

As previously reported, in our Overview of the Mayor's Recommended 1992-93 Budget memo of June 15, 1992, 102 Proposition A positions that had been eliminated by the Proposition A Committee have been included in the Mayor's 1992-93 budget. In addition, 71 Proposition A positions that were not eliminated by the Proposition A Committee were deleted in the Mayor's 1992-93 budget. Therefore, a net of 31 Proposition A positions, that had been eliminated, have been restored. The cost of these position exchanges and restorations is \$1,726,612 in salaries for 1992-93 plus approximately \$431,653 for fringe benefits for a total cost of \$2,158,265.

Schedule B, also attached, shows the net changes in position counts by department when comparing the original 1991-92 adopted budget with the Mayor's recommended 1992-93 budget.



As reported in our June 15, 1992 memo to the Finance Committee, the following table illustrates net position changes by source of funds.

	<u>Permanent</u>	<u>Authorized</u>	<u>Positions</u>	
	<u>Original</u>	<u>Recommended</u>	<u>Increase</u>	
	<u>1991-92 Budget</u>	<u>1992-93 Budget</u>	<u>(Decrease)</u>	
General Fund Departments	11,686	11,524	(162)	
General Fund Supported Departments (SFGH, Laguna Honda, Municipal Railway)	7,785	7,732	(53)	
Enterprise Fund Departments	2,515	2,537	22	
Special Revenue Funds	<u>2,853</u>	<u>3,072</u>	<u>219</u>	
Total	24,839	24,865	26	

### **Positions Designated as "Revenue Generating" by the Mayor's Office**

On June 17, 1992, the Mayor's Office presented a recapitulation of position changes to the Finance Committee that included comparisons of 1991-92 revised position counts to the position counts included in the Mayor's 1992-93 budget. However, the data provided could not be reconciled since other adjustments to the Mayor's budget, which had not been provided to the Budget Analyst, were included.

The Mayor's data also presented a list of 152 "Revenue Generating" positions. It is the interpretation of the Mayor that such positions may either produce revenue for the City or reduce the City's General Fund costs. At the request of the Finance Committee, we have reviewed these specific positions and summarize them below.

#### **04 - District Attorney — 22 positions**

The actual number of revenue generating positions according to the Director of Facility Support Division is 24 including 19 new Investigators that contact absent fathers to enforce child support requirements resulting in reduced reliance on welfare grants. A Hearing Officer, two Court Clerks, a Stenographer and a Bailiff are being added to the Children's Court to speed up processing of absent fathers.

#### **36 - Parking and Traffic — 3 positions**

Three Parking Control Officers are being transferred from General Fund support to Off Street Parking Fund support.

#### **75 - Electricity — 7 positions**

Six new Cable Splicer positions will perform data processing equipment installation wiring that currently is performed by the Department of Public Works

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

and telephone installation wiring and maintenance that is currently contracted out. Performing data processing installation wiring in-house will result in savings because the Department of Electricity has a lower overhead rate than the Department of Public Works. Performing telephone installation wiring and maintenance in-house will result in savings because the contractor's hourly rates exceed the cost of in-house service.

One General Laborer position will be work ordered to Parking and Traffic, to be paid from the Road Fund and the Off Street Parking Fund.

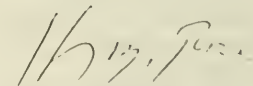
45 - Social Services — 119 positions

The Department of Social Services (DSS) is adding 85 Eligibility Workers, 12 Eligibility Worker Supervisors, 12 positions for Fair Hearings, Quality Control and Overpayment units and ten Clerks. Under the State formula for reimbursement of the administrative costs of operating DSS programs, DSS must hire additional workers to decrease the average caseload per worker which allows the DSS to claim a proportionately greater amount of overhead reimbursement from the State resulting in a percentage decrease in General Fund support. From a cost standpoint however, both total expenditures and net General Fund expenditures increase as a result of these new positions. However, as noted above, the relative percentage of non-General Fund expenditures increases with improvements to the basis of the reimbursement formula.

Otherwise, these positions should be viewed as "revenue generating" only to the extent that lower caseloads per worker may result in reduced welfare aid payments.

40 - Public Utilities Commission — 1 position

The Public Utilities Commission Finance Division is adding a new money counting position to process the additional revenues that will be collected as a result of the proposed Municipal Railway fare increases.

  
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh

Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey



Summary of Proposition A Position Exchanges  
and Restorations by Department

<u>Classification</u>	<u>Department/Class Title</u>	<u>Number</u>	<u>Amount</u>
08	<b>Treasurer-Tax Collector</b>		
	4222 Senior Personal Property Officer	1	\$42,211
	4306 Collections Officer (work order)	1	34,285
	1406 Senior Clerk	(1)	(30,394)
	4306 Collections Officer	(1)	(34,285)
	Net Change in Positions and Expenditures	0	11,817
12	<b>Juvenile Probation</b>		
	8442 Senior Probation Officer	1	57,331
	1426 Senior Clerk Typist (work order)*	1	36,351
	8440 Probation Officer	(1)	(51,928)
	1426 Senior Clerk Typist	(1)	(33,069)
	Net Change in Positions and Expenditures	0	8,685
13	<b>Adult Probation</b>		
	1408 Principal Clerk	1	40,558
	8446 Court Alternate Specialist	(1)	(45,972)
	Net Change in Positions and Expenditures	0	(5,414)
29	<b>City Planning</b>		
	5294 Planner IV (Zoning)	(1)	(66,112)
	5297 Planner V (Zoning)	1	62,998
	Net Change in Positions and Expenditures	0	(3,114)
35	<b>Municipal Railway</b>		
	1404 Clerk	(1)	(29,076)
	1406 Senior Clerk	(1)	(30,511)
	1929 Parts Storekeeper	(2)	(76,440)
	2708 Custodian	(1)	(30,354)
	2716 Custodial Asst. Supervisor	(1)	(33,382)
	7306 Automotive Body and Fender Worker	(1)	(47,998)
	7318 Electronic Maint. Technician	(1)	(64,807)
	7329 Electronic Maint. Tech. Asst. Supv.	(1)	(66,738)
	7332 Maintenance Machinist	(1)	(50,295)
	7381 Automotive Mechanic	(2)	(94,482)
	7409 Electrical Transit Serv. Worker	(1)	(41,238)
	7430 Asst Elec. Maint. Tech.	(1)	(55,984)
	7514 General Laborer	(2)	(76,056)
	9104 Transit Car Cleaner Asst. Supervisor	(1)	(36,905)
	9131 Station Agent	(2)	(91,664)
	9139 Transit Supervisor	(5)	(269,221)
	9140 Transit Manager I	(1)	(62,327)
	9141 Transit Manager II	(2)	(137,391)
	9163 Transit Operator	31	1,135,576
	Net Change in Positions and Expenditures	4	(\$159,293)

**Summary of Proposition A Position Exchanges  
and Restorations by Department**

<b>Classification</b>	<b>Department/Class Title</b>	<b>Number</b>	<b>Amount</b>
<b>41</b>	<b>Public Library</b>		
	3610 Library Assistant	1	\$29,913
	3618 Library Technical Assistant II	1	43,021
	3632 Librarian II	1	48,643
	3616 Library Technical Assistant I	(1)	(39,274)
	3630 Librarian I	(2)	(85,075)
	Net Change in Positions and Expenditures	0	(2,772)
<b>42</b>	<b>Recreation and Park</b>		
	1652 Senior Accountant	1	44,526
	9155 Claims Investigator	1	54,875
	Net Change in Positions and Expenditures	2	99,401
<b>45</b>	<b>Social Services</b>		
	1408 Principal Clerk	1	39,881
	1426 Senior Clerk Typist	1	30,695
	Net Change in Positions and Expenditures	2	70,576
<b>75</b>	<b>Electricity</b>		
	1650 Accountant	1	36,905
	7367 Radio Technician	(2)	(96,800)
	7368 Senior Radio Technician	1	55,849
	Net Change in Positions and Expenditures	0	(4,046)
<b>83</b>	<b>Department of Public Health</b>		
	2416 Bacteriological Laboratory Assistant	1	33,722
	2320 Registered Nurse	2	92,337
	2830 Public Health Nurse	6	391,030
	Net Change in Positions and Expenditures	9	517,089
<b>85</b>	<b>Laguna Honda Hospital</b>		
	2450 Pharmacist	1	55,301
	2619 Sr. Food Service	1	34,357
	2656 Chef	1	38,930
	4322 Cashier III	1	35,170
	7334 Stationary Engineer	1	41,629
	7344 Carpenter	1	46,318
	7346 Painter	1	47,685
	7355 Truck Driver	1	40,083
	8209 Institutional Police Officer	1	47,706
	2324 Nursing Supervisor	1	70,061
	2340 Operating Room Nurse	1	49,308
	Net Change in Positions and Expenditures	11	\$506,548

**Summary of Proposition A Position Exchanges  
and Restorations by Department**

<u>Classification</u>	<u>Department/Class Title</u>	<u>Number</u>	<u>Amount</u>
86	<b>San Francisco General Hospital</b>		
	1404 Clerk	(2)	(\$52,838)
	1424 Clerk Typist	(1)	(25,917)
	1428 Unit Clerk	(1)	(29,232)
	2110 Medical Records Clerk	(2)	(56,794)
	2302 Nursing	2	64,440
	2305 Psychiatric Technician	(4)	(127,368)
	2312 Licensed Vocational Nurse	4	125,593
	2320 Registered Nurse	4	215,064
	2322 Head Nurse	1	71,869
	2323 Clinical Nurse Specialist	1	63,266
	2324 Nursing Supervisor	1	62,359
	2330 Anesthetist	1	86,000
	2432 Electrocardiograph Tech.	(1)	(31,842)
	2434 Senior Electrocardiograph Tech.	1	36,766
	2604 Food Service Worker	(1)	(24,717)
	2736 Porter	(2)	(50,425)
	2760 Laundry Worker	(1)	(23,255)
	2770 Senior Laundry Worker	(1)	(24,247)
	2908 Hospital Eligibility Worker	2	72,454
	7344 Carpenter	1	50,529
	Net Change in Positions and Expenditures	2	401,705
87	<b>Community Mental Health</b>		
	1428 Unit Clerk	1	35,209
	Net Change in Positions and Expenditures	1	35,209
90	<b>Public Works</b>		
	2708 Custodian	1	25,095
	3417 Gardener	2	70,857
	7220 Asphalt Finisher Supv. I	1	44,805
	7355 Truck Driver	2	83,663
	7404 Asphalt Finisher	1	33,061
	7421 Sewer Maint. Worker	(7)	0
	7428 Hodcarrier	(2)	(92,551)
	7502 Asphalt Worker	1	31,798
	7514 General Laborer	2	65,361
	9922 Public Service Aide	(1)	(23,900)
	Net Change in Positions and Expenditures	0	238,189
91	<b>Purchaser</b>		
	1926 Senior Materials and Supplies Supv.	(1)	(35,209)
	7381 Automotive Mechanic	1	47,241
	Net Change in Positions and Expenditures	0	12,032
	<b>Total</b>	<b>31</b>	<b>\$1,726,612</b>

## Position Count Changes by Department

	Positions		
	Original Positions 91-92 Budget	Recommended in 92-93 Budget	Net Change
General Fund Departments			
01 Board of Supervisors	63	59	-4
02 Assessor	116	110	-6
03 City Attorney	181	178	-3
04 District Attorney	310	325	15
05 Public Defender	107	106	-1
06 Sheriff	530	540	10
07 County Education Office	1	1	0
08 Treasurer - Tax Collector	167	160	-7
09 Controller	427	389	-38
10 Superior Court; 15 County Clerk	293	295	2
11 Municipal Court	288	293	5
12 Juvenile Court	279	277	-2
13 Adult Probation	125	124	-1
25 Mayor	124	110	-14
26 Commission on Aging	48	57	9
28 Art Commission	16	16	0
29 City Planning	111	101	-10
30 Civil Service	128	121	-7
31 Fire	1,605	1,604	-1
33 Health Service System	42	44	2
34 Human Rights Commission	51	52	1
36 Parking and Traffic	509	484	-25
37 Permit Appeals	9	9	0
38 Police	2,468	2,455	-13
41 Library	354	338	-16
42 Recreation and Park Commission	923	870	-53
48 Commission on the Status of Women	11	11	0
49 PUC Light, Heat and Power	10	10	0
60 Academy of Sciences	9	9	0
61 Fine Arts Museums	84	74	-10
62 Asian Art Museum	17	17	0
63 Law Library	3	3	0
70 Chief Administrative Officer	19	20	1
71 Real Estate	25	23	-2
72 County Agriculture - Weights & Measures	13	13	0
74 Medical Examiner/Coroner	38	38	0
75 Electricity	65	70	5
76 Animal Care and Control	37	40	3
78 Recorder	27	27	0
79 Public Administrator/Guardian	39	39	0
80 Registrar	13	12	-1
83 Public Health Central Office	813	840	27
87 Community Mental Health Services	602	615	13
91 Purchaser	278	207	-71
General Fund sub-total	11,378	11,186	-192

## Position Count Changes by Department

	Original Positions 91-92 Budget	Positions Recommended in 92-93 Budget	Net Change
<b>General Fund Supported Departments</b>			
35 Municipal Railway	3,338	3,263	-75
85 Laguna Honda Hospital	1,609	1,613	4
86 San Francisco General Hospital	<u>2,838</u>	<u>2,856</u>	18
General Fund Supported sub-total	7,785	7,732	-53
<b>Primarily Non-General Fund Departments</b>			
45 Social Services	1,275	1,441	166
90 Public Works	<u>1,868</u>	<u>1,902</u>	34
sub-total	3,143	3,343	200
<b>Enterprise Fund Departments</b>			
27 Airport	1,057	1,101	44
32 Hetch Hetchy Project	188	190	2
39 Port	245	252	7
47 Water	518	524	6
93 Convention Facilities Management	<u>3</u>	<u>3</u>	0
sub-total	2,011	2,070	59
<b>Others</b>			
40 Public Utilities Commission (PUC)	314	286	-28
44 Retirement System	91	103	12
46 War Memorial	79	79	0
65 Rent Arbitration Board	30	30	0
97 General City Responsibility	8	9	1
23 Children's Fund	<u>0</u>	<u>27</u>	27
sub-total	522	534	12
<b>- Grand Total</b>	<b>24,839</b>	<b>24,865</b>	<b>26</b>

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CITY AND COUNTY



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ATTN: Gerry Roth  
OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

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JUL 1 1992

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June 29, 1992

To: Finance Committee  
From: Budget Analyst *Recommendations*  
Subject: City and County General Fund Revenues

Pursuant to your request, we are providing the following discussion of major City and County General Fund revenue sources and potential revenue increases should appropriate legislation be approved by the Board of Supervisors and the Mayor.

### Real Property Transfer Tax

This tax is imposed on the transfer of real property. The current tax rate is \$5.00 per thousand dollars (0.5%) of assessed valuation as established by the sale price of the property. Current law does not stipulate who shall pay the tax. Typically it is paid from sale proceeds at final closing, although the burden of payment can be negotiated between the buyer and the seller.

The Real Property Transfer Tax revenue is subject to unpredictable variations due to fluctuations in the real estate market. In fiscal year 1990-91, \$21.0 million was budgeted for this revenue, while only \$13.7 million was collected. In 1991-92, \$18.0 million has been budgeted while actual collections will range between \$13.0 and \$14.0 million. The Mayor's recommended 1992-93 budget includes Real Property Transfer Tax revenue in the amount of \$16.0 million.

The City of Oakland has recently proposed an increase in their Real Property Transfer Tax rate from 1.0% to 1.5%; three times the current rate for San Francisco. If this increase is approved, Oakland will join the City of Berkeley as the highest rate for this tax in the State of California.

In 1990, the Board of Supervisors considered a proposal to increase this tax to \$7.50 per thousand dollars (0.75%). The ordinance was not adopted.



If a similar proposal were reconsidered this year, the annual increase to revenue would be \$8.0 million based on the presently budgeted amount of \$16.0 million at current rates. However, it would only be possible to levy the tax for eleven months at the most, due to time lags in approving and implementing the legislation, resulting in a potential 1992-93 revenue increase of approximately \$7.3 million. Alternative rate adjustments would of course result in proportionate revisions to the revenue.

As noted above, this revenue has been unpredictable, with significant shortfalls over the last two fiscal years. The likelihood of meeting the current revenue estimate of \$16.0 million for fiscal year 1992-93 will depend on some measure of improved economic conditions resulting in increased real estate sales over current levels.

Attachment I to this report provides a table of County and City real property transfer tax rates. Most of the data are from a 1991 survey, and may have changed, although some City rates, indicated by an asterisk, have been updated to reflect a recent survey by the City of Oakland.

#### **Hotel Tax**

The current Hotel Tax rate is 11%. It is divided between an 8% base rate and a 3% 'surcharge' (1.75% to General Fund; 1.25% to Convention Facilities for Moscone Center expansion). Total revenue from the 11% tax rate in 1992-93 are budgeted at \$76.6 million.

If the Hotel Tax were raised by 1% (from 11% to 12%) the annual revenue increase (twelve months) would amount to approximately \$6.96 million. However, only a maximum of ten months could be realized in 1992-93, for a revenue increase of approximately \$5.8 million.

Attachment II shows the results of a 1990 survey of Hotel Tax rates in major Cities across the country.

Sales Tax

The total current sales tax rate is 8.5% in San Francisco. The proceeds from this tax are distributed as follows:

<u>Portion of 8.5% Rate</u>	<u>Distributed to</u>
6.0%	Current total to State of California; includes 4.75% base rate; 0.5% permanent surtax; 0.25% temporary surtax; 0.5% dedicated to realignment.
1.0%	Amount provided to City and County General Fund; 1992-93 budget amount is \$89.1 million.
0.5%	County Transportation Commission
0.25%	Statewide County Transportation
0.5%	Bay Area Rapid Transit District
<u>0.25%</u>	Surtax, expiring 6/93, dedicated to San Francisco Unified School District and San Francisco Community College District
8.5%	Total Sales Tax Rate

Under a current State budget proposal, Counties would be authorized to increase sales tax rates over a three year period to compensate for the revenue lost due to the removal of Proposition 13 'bailout' revenues. In the first year fiscal year (1991-92), the County would be permitted to increase the sales tax rate by 0.5% (to a total of 9.0% in San Francisco) for a period of approximately eight months. The increased revenue for this eight-month period would approximate \$29.7 million. Over twelve months, the 0.5% additional sales tax rate would produce approximately \$44.5 million.

The current State budget proposal described above would also phase in, over three years, authorization for Counties to increase sales taxes by a total of 1.25%. Using current revenue estimates, this increase would produce approximately \$111.0 million annually.

**Business Taxes (Payroll and Gross Receipts; Business License Registration Fee)**

Currently, all San Francisco businesses pay a Business License Registration fee of \$150 annually, unless the gross receipts of the business is less than \$15,000. Businesses subject to Payroll Tax or Gross Receipts Tax must pay the higher of either 1.5% of their total payroll or, for most businesses, \$3.00 per \$1,000 of gross receipts. San Francisco business with a calculated tax liability of \$2,500 or less are exempt from the payroll or gross receipts tax and therefore are only subject to the \$150 annual registration fee. Of an estimated total of 55,000 businesses in San Francisco, only about 10%, or 5,500, are not exempt from paying either the payroll or gross receipts tax (those businesses with a tax liability of \$2,501 or more).

Budgeted revenues from business taxes for 1992-93 are:

Payroll Tax	\$127,610,000
Gross Receipts	21,990,000
Registration Fee	<u>7,400,000</u>
Total	\$157,000,000

In 1988-89, a surtax of 0.1% on payroll taxes increased the payroll tax rate from 1.5% to 1.6% (a 6.67% increase). A similar increase, if implemented now, would produce approximately \$8.5 million in payroll taxes and \$1.4 million in gross receipts tax revenue, or a total of \$9.9 million for 1992-93. Because such taxes are collected twice annually, legislation made retroactive to July 1, 1992 would permit the full collection of these amounts in 1992-93.

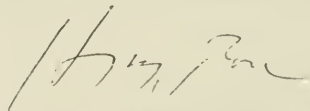
Lowering the threshold amount for exemption from business tax liability would also increase revenue. The Mayor's Office of Economic Development recently analyzed the effect of the current \$2,500 level for the exemption and found that setting the level at lower levels would increase revenue by up to a total of approximately \$16.0 million annually if the exemption were removed altogether.

Based on stratified data provided by the Tax Collector for 1989-90, the following number of business would become subject to the business tax and provide the indicated increased revenue annually based on the indicated exemption threshold:

<u>Subject to Tax if</u> <u>Tax liability were</u>	<u>Number of Businesses</u> <u>that Would become</u> <u>Subject to Tax</u>	<u>Increased</u> <u>Annual Revenue</u>
\$2,001 or more instead of current level of \$2,501	1,604	\$3.6 million
\$1,501 or more instead of current level of \$2,501	3,251	\$6.5
\$1,001 or more instead of current level of \$2,501	5,744	\$9.6
\$500 or more instead of current level of \$2,501	10,127	\$12.7
\$1 or more instead of current level of \$2,501	33,164	\$16.0 million

The number of businesses and revenue amounts shown above include all businesses exempt from the business tax liability in 1989-90. The Tax Collector estimated that approximately 15% of such small businesses did not file business tax returns.

At the present exemption level of \$2,500 in tax liability, all businesses with a total payroll of \$166,666 or less (based on a 1.5% payroll tax) and all businesses with gross receipts of \$833,333 or less (based on a \$3.00 per 1,000 of gross receipts) are exempt.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy

Supervisor Maher  
Clerk of the Board  
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Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The table below illustrates County and City Transfer Tax Rates based on 1991 data, updated for selected cities by a recent survey conducted recently by the City of Oakland.

<u>COUNTY TRANSFER TAX RATE</u>		<u>CITY TRANSFER TAX RATE</u>	
	tax per thousand		tax per thousand
Alameda	\$1.10	Alameda	\$4.40
		Albany	\$4.40
		* Berkeley	\$15.00
		Hayward	-
		Montclair	-
		** Oakland	\$10.00
		* Piedmont	\$6.50
		San Leandro	\$2.00
Contra Costs	\$1.10	* Richmond	\$7.00
Fresno	\$1.10	Fresno	-
Kern	\$1.10	Bakersfield	-
Los Angeles	\$1.10	Los Angeles	\$4.50
		Beverly Hills	-
		Culver City	\$4.50
		Northridge	-
		Redondo Beach	\$2.20
Marin	\$1.10	Belvedere	-
		San Rafael.	\$0.45
		Tiburon	-
Napa	\$1.10	St. Helena	-
Orange	\$1.10	Anaheim	\$0.60
Riverside	\$1.10	Riverside	-
Sacramento	\$1.10	Sacramento	\$2.50
San Diego	\$1.10	San Diego	-
San Francisco	\$5.00	San Francisco	-
San Mateo	\$1.10	Atherton	-
		Hillsborough	-
		Menlo Park	-
		Redwood City	-
		San Mateo	\$5.00
Santa Clara	\$1.10	Mountain View	\$3.30
		Palo Alto	-
		San Jose	\$3.30
City and County of San Francisco	\$ 5.00		

- \* Updated by recent Oakland Survey  
 \*\* Proposed increase to \$15.00 now pending

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The following information was provided by the San Francisco Convention and Visitors Bureau relating to various cities which reported their Hotel Tax rate to the Bureau (these rates were in effect as of September 4, 1990):

<u>City</u>	<u>Hotel Tax Rate (Percent)</u>
New York City	19.25 + \$2/rm.
Seattle	14.1
Houston	14
Atlanta	13
Atlantic City	13
Cleveland	13
Dallas	13
Los Angeles	12.5
Chicago	12.4
Kansas City	11.975
Denver	11.9
Washington, D.C.	11.7 + \$1.50/rm.
Anaheim	11
Miami	11
New Orleans	11
Philadelphia	11
Sacramento	11
Pasadena	10.94
Phoenix	10.25
Detroit	10
Long Beach	10
Monterey	10
Oakland	10
Orlando	10
San Jose	10
San Mateo County	8-10
Santa Barbara	10
Boston	9.75
St. Louis	9.675
Honolulu	9
Palm Springs	9
Pittsburgh	9
Portland	9
San Diego	9
Reno	8
Las Vegas	7
San Francisco (existing)	11





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BUDGET REVIEW MEETING  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

JUN 30 1992  
SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, JUNE 30, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

1. File 100-92-5. Hearing to consider the impact of State budget cuts on the revenue of the City and County of San Francisco. (Supervisor Migden)  
(Cont'd from 6/24/92)

ACTION: Hearing held. Recessed to July 1, 1992.

2. File 100-92-1. Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1992-93. (Mayor)

Culture and Recreation

- 07 County Education Office
- 60 Academy of Sciences
- 28 Arts Commission
- 46 War Memorial
- 61 Fine Arts Museums
- 62 Asian Art Museum
- 41 Public Library
- 42 Recreation and Park

"Catch-up Session"

(recessed from 6/23/92)

- 35 Municipal Railway

Public Works, Transportation and Commerce

- 90 Public Works
- 27 Airport
- 39 Port
- 36 Parking and Traffic
- 75 Electricity
- 40 Public Utilities Commission (PUC)
- 49 PUC Light, Heat and Power
- 32 Hetch Hetchy Project
- 47 Water
- 35 Municipal Railway
- San Francisco Redevelopment Agency
- 29 City Planning

## Public Protection

10	Superior Court
15	County Clerk
11	Municipal Court
06	Sheriff
31	Fire
38	Police

ACTION: Budget Review hearings held.

### THE FOLLOWING ITEM, FILE 97-91-60, WILL BE CONSIDERED WHEN THE ARTS COMMISSION BUDGET IS REVIEWED:

3. File 97-91-60. [Arts Commission] Ordinance amending Administrative Code by amending Section 16.6-45 thereof, to permit the representation of the City and County of San Francisco, through the Arts Commission, in nine Arts organizations. (Arts Commission)

ACTION: Recommended.

### THE FOLLOWING ITEM, FILE 97-92-25.1, WILL BE CONSIDERED WHEN THE FIRE DEPARTMENT'S BUDGET IS REVIEWED:

4. File 97-92-25.1. [Fire Department Membership List] Ordinance amending Administrative Code by amending Section 16.6-6 thereof, adding and deleting certain organizations to the membership list of the Fire Department. (Fire Department)

ACTION: Recommended.

### THE FOLLOWING ITEM, FILE 161-92-4, WILL BE CONSIDERED WHEN THE REDEVELOPMENT AGENCY'S BUDGET IS REVIEWED:

5. File 161-92-4. [Redevelopment Agency Budget and Bonds] Resolution approving the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1992-1993; approving and authorizing an amendment to the indebtedness limitation agreement between the Redevelopment Agency and the City and County of San Francisco; and approving the issuance by the Agency of bonds in an aggregate principal amount not to exceed \$65,000,000 for the purpose of financing redevelopment activities in fiscal year 1992-1993. (Supervisor Gonzalez)

ACTION: Amended. (See file for details.) Recommended as amended to Board for consideration on July 13, 1992.

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Cory Roth

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

DEPOSITORY (ITEM)  
DOCUMENTS SECT.

JUN 29 1992

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June 26, 1992

**TO:** Finance Committee  
**FROM:** Budget Analyst *Rec. memo. 6/29/92*  
**SUBJECT:** June 30, 1992 Finance Committee Meeting

### Item 1 - File 100-92-5

**Note:** This item was continued by the Finance Committee at its meeting of June 24, 1992.

1. This is a hearing to consider the impact of State budget cuts on the revenues of the City and County of San Francisco.

2. As of the writing of this report, several different proposals by the Governor and various portions of the California Legislature exist and no final steps have been taken toward final adoption of the 1992-93 State budget. Until such final adoption, we are unable to assess the exact impact on the revenues and expenditures of the City and County of San Francisco.

3. The Controller, the Mayor's Office and the Budget Analyst will report their latest information on the State budget at the Finance Committee's meeting of June 30, 1992.



Item 2 - File 100-92-1

**Item:** This item is a hearing to consider the Annual Budget of the City and County of San Francisco for fiscal year 1992-93.

**Note:** Please see the Budget Analyst's report dated June 24, 1992 entitled Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 1992-93 Budget.





Item 3 - File 97-91-60

**Department:** Arts Commission

**Item:** Ordinance to amend the San Francisco Administrative Code by amending Section 16.6-45 to add nine organizations represented by the Arts Commission.

**Description:** The proposed ordinance would amend the San Francisco Administrative Code by amending Section 16.6-45 to add nine organizations represented by the Arts Commission. These organizations are as follows:

	Annual Membership
<u>Organizations</u>	<u>Dues</u>
American Federation for the Arts	\$220
Non-Profit Gallery Association	20
National Association of Artists Organizations	100
Apprentice Alliance	100
International Sculpture Center	40
National Assembly of State Arts Agencies	220
California Association of Local Arts Agencies	1,500
National Association of Local Arts Agencies	1,000
Western Alliance of Arts Administrators	<u>135</u>
Total	\$3,335

**Comment:** The Arts Commission reports that the membership fees of \$3,335 would be paid through the Public Arts Fund. This fund was established to receive revenues from programs and events which are under the supervision and control of the Arts Commission, (Administrative Code Section 10.117-1). Ms. Maya Rath of the Arts Commission reports that there are sufficient funds budgeted in the Public Arts Fund to cover this expenditure.

**Recommendation:** Approve the proposed ordinance.



Item 4 - File 97-92-25.1

**Department:** Fire Department

**Item:** The proposed ordinance would amend the San Francisco Administrative Code by amending Section 16.6-6 to add and delete certain organizations to the membership list of the Fire Department.

**Description:** The proposed ordinance would amend the San Francisco Administrative Code by amending Section 16.6-6 to add and delete certain organizations to the membership list of the Fire Department. The organizations which would be added are as follows:

	Annual Membership
<u>Organizations</u>	<u>Dues</u>
CA Arson Investigators Assoc.	\$ 20
CA Assoc. of Affirmative Action Officers	75
CA Fire Chiefs' Mechanics Association	15
International Assoc. of Arson Investigators	20
International Assoc. of Fire Service Instructors	75
National Association of Fire Investigators	20
National Assoc. of Public Sector Equal Employment Officers	100
Northern Area Fire Equipment Research (NAFER)	15
Northern CA Employment Roundtable	60
Northern CA Fire Prevention Officers Assoc.	35
San Mateo Arson Task Force	20

The proposed ordinance would also delete the following organizations:

Organizations  
National Fire Prevention Organization  
Pacific Coast Association of Fire Chiefs

**Comment:** The Fire Department has budgeted \$840 in its proposed 1992-93 budget for membership in a total of 16 organizations, including the 11 above-listed organizations which the proposed ordinance would add to the Administrative Code.

**Recommendation:** Approve the proposed ordinance.





Item 5 - File 161-92-4

**Department:** San Francisco Redevelopment Agency

**Item:** Resolution approving the budget of the Redevelopment Agency of the City and County of San Francisco for Fiscal Year 1992-93; approving and authorizing an amendment to the Indebtedness Limitation Agreement between the Redevelopment Agency and the City and County of San Francisco; and approving issuance by the Agency of bonds in an aggregate principle amount not to exceed \$65,000,000 for the purpose of financing Redevelopment activities in Fiscal Year 1992-93.

**Amount:** \$121,933,000

<b>Source of Funds:</b>	Property Sales	\$27,482,000
	Rentals/Leases	6,170,000
	Prior Year Earnings/Savings	14,804,000
	Grants	5,000,000
	Debt Proceeds	4,000,000
	Developer Contributions	500,000
	Tax Increment	7,316,000
	1992-93 Tax Increment Bond Requirement	<u>56,661,000</u>
	Total	\$121,933,000

**Description:** The San Francisco Redevelopment Agency has proposed a \$121,933,000 budget for 1992-93 as follows:

Legal	\$1,754,000
Econ. Studies & Misc. Items	2,029,000
Acquisition	16,000,000
Public Improvements	22,147,000
Architect. & Engineer. Design & Review	4,134,000
Construction Monitoring	1,426,000
Relocation	252,000
Property Maintenance	3,435,000
Housing Production & Assistance	20,437,000
Employment/Business Assistance	1,476,000
Business Dev./Revitalization	6,626,000
Debt Service	12,689,000
Refinancing:Fuji Debt	16,785,000
Restricted Funds	<u>3,964,000</u>
Subtotal	\$113,154,000

Personnel Costs	\$7,096,000
Administrative Costs	<u>1,683,000</u>
Subtotal	\$8,779,000

Total Project Costs	<u>\$121,933,000</u>
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A description of major project activities and anticipated accomplishments for each project for 1992-93 are as follows:

**Yerba Buena Center** **\$50,967,000**

Complete construction of Central Block 2 Center for the Arts and Esplanade Garden with Martin Luther King, Jr. Memorial Fountain. The Agency would also start construction of the East Garden of Central Block 2 and complete design and start construction of the child care center, ice rink/bowling center, children's place, carousel and park on Central Block 3 as well as working with four citizens committees on issues relating to design and operation of the children's uses. The Agency would monitor construction of the San Francisco Museum of Modern Art and implementation of Affirmative Action goals. The Agency would work with the City to expand the Fifth and Mission Street Garage, which includes design review and construction monitoring.

**Rincon Point - South Beach/South Beach Harbor** **\$19,227,000**

Continue to monitor construction and affirmative marketing plan for housing.

Complete acquisition of parcels and subsequent negotiations of Owner Participation/Land Disposition Agreement with a selected developer and begin design review of preliminary and final construction drawings.

Prepare offering for development for commercial or residential uses.

Participate in the maintenance of local streets of the Community Facilities District.

Continue to pursue master lease for private development of Pier 40.

Exercise option to lease with the Port and begin construction of South Beach Park and continue to

maintain, operate and market the South Beach Harbor.

Negotiate leasing agreement with the Port for Rincon Point Park, as well as conduct a toxic study and prepare concept design plans for the Rincon Point Park.

**Western Addition A-2**

**\$4,601,000**

Continue to provide relocation, affirmative action, economic development, housing and public improvement activities in the Western Addition A-2. Future activity in the A-2 Redevelopment Project Area is directed towards completion of the Fillmore Center with the development of Parcel 732-A and 732-B which would bring the total residential development in the designated Fillmore Center to 1,531 units of housing. Over 400 of these units are affordable to households of very low, low and moderate income.

**Hunters Point**

**\$458,000**

Complete construction of 62 affordable housing units at one location and begin construction of 134 units of affordable ownership housing units and provide additional housing subsidies to purchasers of units to be constructed in the Hunters Point School II site. In addition, the Agency intends to fund the San Francisco Housing Development Corporation to market low and moderate housing.

**Hunters Point Shipyard**

**\$696,000**

Continue to negotiate with the Navy to produce Long-Term Lease for the Shipyard by June 30, 1993 and work with the Navy to expedite toxic clean-up schedule and toxic remediation.

Work with the Citizens Advisory Group to develop economic development plan for long-term use and work with Mayor's Office of Business and Economic Development (MOBED) to develop a Master Plan.

Relocate entry gate to achieve public access to the Shipyard.

**India Basin** **\$353,000**

Monitor land use compliance under the Redevelopment Plan.

Provide economic development assistance and opportunities through a program with the Urban Economic and Development Corporation.

**Affordable Housing Program** **\$15,764,000**

The program would continue to be administered jointly with the Mayor's Office of Housing. The allocation of funds for each program category may be adjusted depending on need, but the overall program allocations totaling \$15,764,000 would be:

Nonprofit Acquisition, Rehabilitation and New Construction of Low/Moderate Housing	\$7,500,000
Nonprofit and Tenant Purchase of At-risk Federally Subsidized Developments	1,100,000
Seismic Upgrading of Low-income Housing in Unreinforced Masonry Buildings	1,000,000
Housing Loans and Grants to People with AIDS	4,000,000
Affordable Housing Subsidies	2,000,000
Relocation Assistance	152,000
Fair Housing Testing in Agency-financed Rental Projects	<u>12,000</u>
Total	\$15,764,000

**South of Market** **\$3,475,000**

Acquisition of 2-3 family housing development sites for the development of approximately 100 family dwelling units and acquisition of 2-3 Single Room Occupancy (SRO) Hotels and/or apartment buildings for the purposes of rehabilitation and instituting better management.

Initiate acquisition negotiations on potential new housing development sites.

Begin construction on three new housing development sites which would produce 57 new family units and 140 replacement SRO units.

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**BUDGET ANALYST**

Establish a Housing Services Project to provide a variety of services to SOM area residents.

Initiate construction design of street improvements.

Continuation of lighting, safety, and street cleaning improvements on 6th Street.

Initiate efforts to acquire land and develop a children's park.

Complete and adopt an amended redevelopment plan.

**South Beach Harbor** **\$6,717,000**

Continue to maintain and operate the harbor.

**South Bayshore Study Area** **\$450,000**

Complete Phase II (Urban Design) implementation strategy for the proposed South Bayshore Redevelopment Plan.

Begin process for creation of a survey area for the development of Third Street.

**Center for the Arts** **\$2,844,000**

Center for the Arts buildings are currently scheduled to be completed in April of 1993. Therefore, the goals for the Center for the Arts include developing a program plan for the Center, continuing to develop the fundraising plan, and developing an operational plan.

**Economic Development** **\$7,602,000**

Identify at least three opportunity sites for commercial revitalization projects in project areas.

Establish financing pools to assist small businesses.

Originate and process at least five approved loan packages for the facade Improvements Loan Program for business in the South of Market Redevelopment Area and originate and process at least five approved loan packages for the South of Market guaranteed loan program.



Implement Phase I recommendations for the Third Street Commercial Revitalization Program.

Implement recommended programs for Chinatown.

Implement recommended programs for Western Addition, India Basin and Hunters Point Redevelopment Areas.

Conclude lease negotiations with the Navy regarding disposition of Hunters Point Naval Shipyard.

Provide technical support for Citywide development plans.

Successful placement of at least three small businesses in Bayview Plaza and Fillmore Center.

Develop a small business incubator project in the Western Addition to assist small businesses.

**Central Relocation Services (CRS)** **\$315,000**

Provide housing assistance to 750 displaced households, administer payments through the Special Temporary Rent Assistance program and coordinate approximately 90 inspections of replacement housing by the Bureau of Building Inspection to assure that housing referrals are to standard units. In addition, CRS would provide relocation assistance and administer benefits to 13 businesses scheduled for displacement by City departments.

**Grand Total** **\$113,469,000**

The proposed legislation would also approve and authorize an amendment to the Indebtedness Limitation Agreement between the SFRA and the City. This agreement authorizes the SFRA to claim \$5,592,000 annually to repay the 1992 Tax Increment Bond and limits the SFRA to a cumulative annual tax increment payment of \$12,908,000 per its statement of indebtedness to be filed by October 1, 1992. The \$12,908,000 payment would be distributed as follows:



1992-93 Proposed SFRA Tax Increment Revenue

1989-90 Tax Increment	\$3,158,924	
1990-91 Tax Increment	1,853,150	
1991-92 Tax Increment	2,167,774	
South Beach Harbor Tax Increment	<u>136,152</u>	
Total Prior Year Tax Increment Revenue		\$7,316,000
1992-93 Proposed Tax Increment		<u>5,592,000</u>
Total 1992-93 Tax Increment Revenue		\$12,908,000

The proposed legislation would finally approve the issuance of bonds in an aggregate principle amount not to exceed \$65,000,000 for the purpose of financing 1992-93 redevelopment activities. The Agency is requesting \$65 million as the aggregate principle amount in tax increment bonds, though the Agency only requires \$56,661,000 or \$8,339,000 less than \$65 million. According to Mr. Bob Gamble of the Redevelopment Agency, the Agency would need 10 percent of the \$56,661,000 bond amount or \$5,666,100 to pay bond issuance costs and the remaining \$2,672,900 would be used as a contingency to take into account changes in interest rates.

**Comments:**

1. The Budget Analyst has recommended reductions to the SFRA FY 1992-93 proposed expenditures which total \$143,159 as follows:

Delete Vacant Secretary II	\$36,426
Delete Vacant Sr Clerk Typist	16,471
Reduce Fringe Benefits	10,193
Temporary Employee & Replacement Costs	11,976
Communication-Telephone	1,337
Communication-Postage & Express	5,149
Travel-Local	1,141
Travel-Out-of-Town	357
Office Supplies	8,015
Janitorial Supplies	716
Supplies:	
Mimeo/Printing/Photography	11,743
Lease	13,150
Other Costs	5,235
Purchase:	
Machines/Equipment/Furniture	<u>21,250</u>
Total	\$143,159

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**BUDGET ANALYST**

In addition, the Budget Analyst has recommended the following reserves:

Six Months funding for Six Clerical Positions	\$113,653
Six Months Funding for Fringe Benefits for Six Clerical Positions	22,367
Previously appropriated Economic Development Funds	\$3,450,000
10-months funding for Central Records	<u>186,330</u>
Total	\$3,772,350

As of the writing of this report, these budgetary recommendations are being considered by the Finance Committee.

2. The Agency reports that as of June 1, 1992, \$361,000 of \$1,624,000 in economic development funds for the Western Addition has been spent in previous fiscal years. These funds were appropriated in fiscal year 1990-91 for economic development activities and have been carried forward last fiscal year and again this fiscal year. In addition, as of June 1, 1992 \$515,000 of the \$2,702,000 of economic development funds for Hunters Point have also been spent. Again, these funds were originally appropriated in FY 1990-91. As such, the Agency's FY 1992-93 budget should be amended to reduce the Prior Year Earnings/Savings Revenues by \$876,000, from \$14,804,000 to \$13,928,000. Further, the Agency's 1992-93 budget should be amended to reduce Economic Development Expenditures by \$876,000, from \$7,602,000 to \$6,726,000.

3. The Budget Analyst completed a management audit of the San Francisco Redevelopment Agency in January of 1992 which made several findings and recommendations including the following:

- The Redevelopment Agency's 26 clerical positions are relatively high compared to other similar City departments and other redevelopment agencies. The Agency has an automated voice mail telephone answering system and 79 percent of Agency staff have a computer at their desk. Further, the Agency employs Executive Secretaries to work in non-executive divisions. The Budget Analyst recommended that the Agency conduct a classification and workload study to determine their clerical staffing needs and to reduce clerical staff by eight positions. Because the Agency currently has two vacant clerical positions, we are recommending deleting them.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

In addition, the Agency reports that a workload and classification study will be completed within six months. As such, we recommend that funding for six clerical positions be placed on reserve for the last six months of fiscal year 1992-93, pending the outcome of this study.

- The process of implementing the Agency's economic development program has not occurred in an effective and efficient manner. The Agency Commission has yet to adopt an implementation plan for the program since its inception two years ago. Funds have not been awarded through a competitive evaluation process, and no needs assessment has occurred prior to awarding funds for economic development programs. As a result of these findings, the Budget Analyst recommended that the Board of Supervisors not allocate additional funds for economic development programs until the Board of Supervisors has received and reviewed a copy of an economic development plan.

The Agency reports that an economic development strategic plan for the City is being developed by the Agency in conjunction with the Mayor's Office of Business and Economic Development and the Board of Supervisors. In addition, the Agency has developed an economic development implementation plan to be reviewed by the Redevelopment Commission within the next two months. We recommend that \$3,450,000 of newly allocated economic development program funding proposed in the FY 1992-93 budget be placed on reserve pending submission to the Board of Supervisors of the approved economic development strategic plan and/or the economic development implementation plan.

- The budget the Agency submits to the Board of Supervisors does not include data on actual revenues and expenditures from previous fiscal years, does not include interest income as a separate line item, nor does it include five-year projections on how much funding the Agency anticipates needing. Primarily because of the timing of the Budget Analyst's Management Audit report, the proposed FY 1992-93 budget does not include these items. However, the Agency did submit these items to the Budget Analyst separately.
- The Agency's Records Retention Program has not been evaluated since its formal inception and should be re-evaluated by the Agency Commission. The Budget Analyst recommended that the program be evaluated to determine whether it would be less expensive for the Agency to contract out the microfilming of Agency documents. The Agency reports to have assembled a Records Management Program Task Force. This Task Force is expected to arrive at a decision regarding

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**BUDGET ANALYST**

the financial feasibility of contracting out microfilming sometime in August of 1992. As such, we recommend reserving \$186,330 or 10 months funding for the Records Retention Program pending submission of the Records Management Program Task Force's report to the Board of Supervisors.

4. The Budget Analyst's Management Audit report also recommended that because it would be less expensive in the long run to fund redevelopment activities on a pay-as-you-go basis instead of debt financing them, the Board of Supervisors should consider pay-as-you-go as a policy option when they review future tax increment-backed bond issues. However, pay-as-you-go would cost the City's General Fund approximately \$49,578,375 (87.5 percent of the proposed \$56,661,000 bond requirement) in fiscal year 1992-93 as compared to costing the General Fund approximately \$4,893,000 (\$5,592,000 tax increment revenue x 87.5 percent) in fiscal year 1992-93 to repay the proposed bond and \$146,790,000 over the next 30-years (\$4,893,000 x 30 years.) Although the Budget Analyst believes it would be more fiscally prudent in the long run to fund redevelopment activities on a pay-as-you-go basis instead of debt financing them, the current condition of the City's General Fund budget could not absorb the additional \$49,578,375 expenditure. As such, the Budget Analyst recommends approving the proposed \$65,000,000 bond issuance.

5. The Budget Analyst's proposed reductions of the Agency's budget totaling \$143,159 would reduce the Tax Increment bond requirement by \$143,159, from \$56,661,000 to \$56,517,841. The proposed 1992-93 Tax Increment payment of \$5,592,000 would be reduced by \$13,689 to \$5,578,311. Over 30 years, the total savings would be \$410,670. 87.5 percent of the City's property tax revenue is deposited into the General Fund. As such, the proposed reductions would reduce the General Fund contribution by \$11,978 each year for 30 years for a total of \$359,340 in General Fund savings.

6. The Agency receives interest income from unspent funds during the course of the fiscal year that is subsequently budgeted in the Prior Year Earnings account in the following fiscal year. The Agency projects that the Agency will earn approximately \$2.1 million in interest income during FY 1992-93. This \$2.1 million will be budgeted in FY 1993-94.

7. In December of 1991, the Redevelopment Agency contracted with a private consulting firm to perform a management audit of the Center for the Arts at Yerba Buena Center. The consulting firm, Melanie Beene and Associates, has recently

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**BUDGET ANALYST**



completed this audit and submitted a 67 page report. The following is a brief listing of the audit's findings:

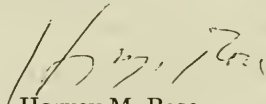
- The Center for the Arts is the progeny of a real estate transaction. The Center is neither artist-driven nor board-driven.
- The extended time lag in commitment and action by the Agency and the master developer has put the project at risk.
- The external environment has changed significantly since the project's inception.
- It is questionable whether the facilities, as configured, are sufficiently "needed" by the community to ensure the operation's economic viability.
- The governance structure of the organization is a hybrid one which will continue to create tensions/limitations for the organization.
- There is an inadequate knowledge base of the functioning of the producing arts industry within the board, staff and Agency to ensure proper implementation of, or accountability for, the project.
- The project is conceived and operating under erroneous assumptions.
- The mission of the organization is poorly articulated and inadequately understood.

**Recommendations:**

1. Reduce the proposed 1992-93 San Francisco Redevelopment Agency budget by \$143,159 from \$121,933,000 to \$121,789,841 as identified in Comment 1. These recommendations are subject to final review and acceptance or rejection by the Finance Committee during the budget review hearings on the Redevelopment Agency.
2. Reduce the Prior Year Earnings/Savings Revenues by \$876,000, from \$14,804,000 to \$13,928,000. Further, the Agency's 1992-93 budget should be amended to reduce Economic Development Expenditures by \$876,000, from \$7,602,000 to \$6,726,000 as identified in Comment 2.
3. Reserve \$113,653 for salary for six clerical positions for the last six months of the fiscal year pending the results of a workload and classification study.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. Reserve \$22,367 of mandatory fringe benefits for the six clerical positions.
5. Reserve \$3,450,000 of previously appropriated but unspent economic development funding of the proposed budget of \$6,726,000 pending submission to the Board of Supervisors of an economic development implementation and/or strategic plan.
6. Reserve \$186,330 or 10 months funding pending a report to the Board of Supervisors of the decision of the Records Management Program Task Force to contract these services out.
7. Although the Budget Analyst believes it would be more fiscally prudent in the long run to fund redevelopment activities on a pay-as-you-go basis instead of debt financing them, the current condition of the City's General Fund budget could not absorb the additional \$49,578,375 expenditure, as identified in Comment 4. As such, the Budget Analyst recommends approving the proposed \$65,000,000 bond issuance for the purpose of financing Redevelopment Agency activities in FY 1992-93.
8. Approve the proposed amendment to the Indebtedness Limitation Agreement between the Redevelopment Agency and the City and County of San Francisco.
9. Approve the proposed budget as amended.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher

Clerk of the Board  
Chief Administrative Officer  
Controller  
Kent Sims  
Jean Mariani  
Barbara Kolesar  
Ted Lakey

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June 30, 1992

TO: Finance Committee  
FROM: Budget Analyst *Recommendations*  
SUBJECT: Mayor' Proposed Adjustments to the 1992-93 Budget

On June 24, 1992 and June 29, 1992, the Controller transmitted the Mayor's proposed adjustments to the 1992-93 budget. The proposed adjustments (expenditure and revenue decreases and increases) impact certain accounts in a manner which, as summarized by the Controller, has a net impact on the General Fund of decreasing the General Fund Reserve by \$3,983,078. The originally budgeted General Fund Reserve of \$10.0 million would therefore decrease to \$6,016,922 if all of the Mayor's proposed adjustments are approved by the Board of Supervisors.

This impact on the General Fund Reserve does not take into account proposed reductions to the Mayor's originally recommended budget recommended by the Budget Analyst and under consideration by the Finance Committee during budget hearings of June 30, July 1 and July 2, 1992. Some of the Mayor's proposed adjustments duplicate certain recommendations being made by the Budget Analyst. We will itemize these duplications as the Finance Committee considers our recommendations on a department by department basis.

## Major Policy Issues

As previously reported to the Finance Committee, the major adjustment to the Mayor's recommended budget results from the addition of one-time revenue to the Muni Operating Fund from Transit Impact Development Fees (TIDF) in the amount of \$9.7 million. The majority of this amount, approximately \$7.0 million, will decrease salary savings for operations in support of scheduled service and offset a revenue shortfall of approximately \$1.3 million for Municipal Railway passenger fares, since the Public Utilities Commission's (PUC) recommended passenger fares will generate \$1.3 million less than the Mayor's revenues included in the budget for passenger fares.

The Mayor's proposed budget adjustments include funds for two new programs, with the addition of 53 new positions, based on the proposal of the PUC. These two new programs (the Passenger Incentive Program and the Clean and On Time Program) and the associated costs are summarized in the table below:

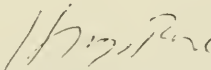
Passenger Incentive Program		\$100,000
Clean and On Time Program:		
34 New Car Cleaners	\$790,860	
4 New Station Agents	126,440	
15 New Transit Supervisors	<u>611,817</u>	
sub-total		1,529,117
Mandatory Fringe Benefits		<u>382,279</u>
Total New Programs		\$2,011,396

The addition of new programs and positions as identified above is clearly a policy choice of the Mayor that must be considered by the Board of Supervisors. However, from a fiscal and budgetary perspective, the Budget Analyst cannot recommend such an increase in the budget, especially through the infusion of one-time revenues that will not be available in the future.

Also, we note that, in accordance with a recent opinion of the City Attorney regarding the use of TIDF revenue, this \$2,011,396 requested amount for new programs could be transferred to the General Fund, thereby increasing the General Fund Reserve by over \$2.0 million. Alternatively, the funds could be preserved in the TIDF fund for operating and capital purposes in future years.

**Other Adjustments to the Mayor's Budget**

The Budget Analyst views the vast majority of remaining adjustments to the Mayor's budget for Departmental budgets being considered by the Finance Committee as corrections of budgeting errors and restoration of positions that, if not restored, would result in employee layoffs unintended by the Mayor. We will be prepared to respond to any questions the Finance Committee may have on these matters.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
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